

**1/24/78 [1]**

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder: 1/24/78 [1];  
Container 60

To See Complete Finding Aid:

[http://www.jimmycarterlibrary.gov/library/findingaids/Staff\\_Secretary.pdf](http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf)

# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Brzezinski to Pres. Carter, 18 pp., re: CIA names <i>Opened 12/21/91</i>	1/20/78	A
Telex	Situation Room to Pres. Carter, 1 pg., re: Israel <i>Opened 1/7/83</i>	1/22/78	A
Cabinet Summaries	Ambassador Young to Pres. Carter, 1 pg. re: UN <i>Opened 1/7/83</i>	1/20/78	A
Memo	Lipshutz to Pres. Carter, 3 pp., re: Peanut oil sale	1/25/78	C
Memo	Jordan, Lipshutz & Moore to Pres. Carter, 16 pp., re: nominees for resubmission	1/19/78	C

## FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of the Staff Sec.-Pres. Handwriting  
File 1/24/78[ ] BOX 69

## RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with restrictions contained in the donor's deed of gift.

Invitees to Signing CeremonySenate Select Committee on Intelligence

Birch Bayh, Chairman  
 Daniel K. Inouye, former Chairman  
 Barry M. Goldwater, Vice Chairman  
 Walter D. Huddleston, Chairman Subcommittee on Charters & Guidelines  
 Charles McC. Mathias, Vice Chairman, Subcommittee on Charters & Guidelines  
 Earl Eisenhower, Minority Staff Director  
 Elliott Maxwell, Counsel  
 William Miller, Staff Chief

House Permanent Select Committee on Intelligence

Edward P. Boland, Chairman  
 Bob Wilson, Ranking Minority Member  
 Morgan Murphy, Chairman Subcommittee on Legislation  
 Robert McClory, Ranking Minority Member, Subcommittee on Legislation  
 Thomas Latimer, Staff Chief  
 Michael O'Neill, Chief Counsel  
 Romano L. Mazzoli, Subcommittee on Legislation

Senior Officials From Senate and House

Robert C. Byrd, Majority Leader of the Senate  
 Howard H. Baker, Minority Leader of the Senate  
 Thomas O'Neill, Jr., Speaker of the House  
 James C. Wright, Minority Leader of House

Senior Officials

Vice President Mondale  
 Harold Brown, Secretary of Defense  
 Griffin Bell, Attorney General  
 Admiral Stansfield Turner, Director of Central Intelligence  
 Thomas Farmer, Chairman of the Intelligence Oversight Board  
 Admiral Bobby Inman, Director of the National Security Agency  
 Harold Saunders, Director of INR, State Department

Anthony Lapham, General Counsel, CIA  
 John Blake, Deputy Director/CIA  
 Deanne Siemer, General Counsel, DOD  
 Daniel Murphy, Deputy Undersecretary of Defense for Policy  
 Frederick Baron, Special Assistant to the Attorney General (Intelligence)  
 Hans Mark, Undersecretary of the Air Force  
 Kenneth Bass, Office of Legal Counsel, Justice  
 John Harmon, Special Assistant to the Attorney General  
 General Jack Thomas, Intelligence Community Staff  
 Herbert Hetu, Public Relations/ CIA

DECLASSIFIED  
 E.O. 12356, Sec. 3.4  
 PER 11/14/91 CIA FOR RE MB-NL-11-18  
 BY *[signature]* NARS, DATE 12/2/91

White House

Dr. Zbigniew Brzezinski (NSC)  
David Aaron (NSC)  
Robert Rosenberg (NSC)  
Robert Lipshutz (White House Counsel)  
Michael Cardoza (White House Counsel)  
Douglas Huron (White House Counsel)  
Robert Gates (NSC)

THE PRESIDENT HAS SEEN

357

HW ZCZCWHB088

00 WTE13

DE WTE 0905 0221401

O 221410Z JAN 78

FM THE SITUATION ROOM

TO SUSAN CLOUGH FOR THE PRESIDENT

ZEM

~~CONFIDENTIAL~~ EXDIS WH80172

TEL AVIV 950

E. O. 11652: GDS

TAGS: PGOV IS EG US XF

SUBJ: ISRAELI CABINET DECISIONS ON NEXT STEPS IN PEACE PROCESS

REF.: JERUSALEM 197

1. PRIME MINISTER BEGIN TELEPHONED ME AT 1340 HOURS JAN 22 TO TELL ME OF THE DECISIONS TAKEN THIS MORNING BY THE ISRAELI CABINET. HE SAID THAT THE CABINET TOOK TWO DECISIONS, BOTH UNANIMOUSLY.

2. WITH REGARD TO PARTICIPATION IN THE MILITARY COMMITTEE, BEGIN SAID THE CABINET DECIDED TO POSTPONE WEIZMAN'S RETURN TO CAIRO UNTIL "THE ATMOSPHERE IMPROVES". HE SAID THAT THE CABINET DID NOT THINK IT WAS A GOOD MOMENT FOR HIM TO RETURN IN THE WAKE OF WHAT HE CHARACTERIZED AS SADAT'S "VICIOUS ATTACK" ON THE JEWISH PEOPLE IN HIS SPEECH YESTERDAY. HOWEVER, HE MADE CLEAR THAT THE CABINET WAS NOT CLOSING ANY DOORS TO CONTINUE THE MILITARY COMMITTEE AND THAT IT IS LIKELY THAT THE ISSUE WILL BE RE-CONSIDERED BY THE CABINET ON TUESSDAY. I ASKED HIM WHETHER IT WAS THEREFORE POSSIBLE THAT WEIZMANN WOULD RETURN TO CAIRO BEFORE HIS SCHEDULED DEPARTURE FOR THE US ON THURSDAY. HE SAID "IT'S POSSIBLE; LET US SEE HOW THINGS DEVELOP".

3. WITH REGARD TO FUTURE WORK ON THE DECLARATION OF PRINCIPLES, BEGIN SAID THE CABINET AGREED TO THE PROPOSAL THAT WORK SHOULD CONTINUE IN AN EFFORT TO COMPLETE NEGOTIATIONS ON A DECLARATION THROUGH THE GOOD OFFICES OF THE US.

4. ALTHOUGH HE DID NOT GO INTO ANY DETAIL IT WAS CLEAR THAT PORTIONS OF SADAT'S SPEECH HAD PRODUCED A BAD IMPACT ON THE CABINET AND ON BEGIN PERSONALLY. I WOULD GUESS THAT IT WILL TAKE A PERIOD OF CONSIDERABLE LOWERED RHETORIC BEFORE WEIZMANN IS PERMITTED TO RETURN

END OF PAGE 01

TO CAIRO, AND I DOUBT THAT IT WILL OCCUR BEFORE HE RETURNS FROM THE US. LEWIS

0331

0905

~~CONFIDENTIAL~~

Electrostatic Copy Made  
for Preservation Purposes

NNNN

DECLASSIFIED

E.O. 12356, Sec. 3.4

PER

BY

8/6/92 SLE/RE MR-NLC-41-99  
NARS DATE 11/7/93

CONFIDENTIAL

January 20, 1978

TO: President Carter  
THROUGH: Rick Hutcheson  
FROM: USUN - Ambassador Young  
SUBJECT: U.S. Mission to the United Nations Activities  
January 12 - 19

C

1. SECURITY COUNCIL

Security Council President for the month of January, Ambassador Harriman of Nigeria, called a meeting of Council members to discuss the program of work for the month. The Council will likely take up Rhodesia and South Africa. On Rhodesia, the Council is expected to discuss tightening of sanctions, probably through an oil embargo against Rhodesia and to pressure the U.K. into stating that it will not approve an internal settlement. The US has urged Nigeria to avoid steps that would interfere with the Anglo-American initiative as the US and UK would be unable to support such measures. On South Africa, the Security Council will hear from the banned and now exiled editor Donald Woods who is known to feel that stronger pressures are now necessary if South Africa is to avoid large scale bloodshed.

2. NAMIBIA

Discussions continued among the Western Five Contact Group with the focus on developing a strategy to head off the South African Government's intended announcement at the end of the month setting a date for Namibian elections. The Western Five continued efforts to arrange proximity talks involving South Africa and SWAPO representatives, preferably by mid-February in New York. As of Friday, all except France had agreed to raise the level of talks to include Foreign Ministers, and it was further agreed to extend an invitation to Foreign Minister Botha. The Contact Group's invitation to Botha is conditional upon assurances from the South Africans that it will not proceed with the announcement of an election date. It is the intention of the Contact Group to have the Foreign Ministers meet with SWAPO officials as well.

3. ECONOMIC AND SOCIAL AFFAIRS

The United Nations Development Program Governing Council in a consensus action approved several country programs and projects, including two for Vietnam totalling about \$22 million from UNDP. USUN is also engaged in discussions with other Missions concerning the agenda for the forthcoming session of the Human Rights Commission. Items to be taken up at the meeting are likely to include Uganda, Cyprus, torture and a High Commissioner for Human Rights.

4. AMBASSADOR YOUNG'S BILATERAL MEETINGS

Ambassador Hussen of Somalia to discuss the situation in the Horn (1/18); Ambassador Herzog of Israel to discuss Middle East developments (1/18); Ambassador Harriman of Nigeria to discuss African questions (1/19).

5. AMBASSADOR YOUNG'S OTHER MEETINGS

Participated in the Businessman's roundtable discussion at the Chief Executives Luncheon in Orlando, Fla. (1/11); Dr. King's Birthday Observance in Atlanta (1/15); Luncheon with William McDonough, President of the First National Bank of Chicago to discuss a loan to Jamaica (1/16); Reception for Caroline Payton, Director of the Peace Corps and Dr. William Gaynon, ACTION regional director for Africa, to introduce them to members of African UN Missions (1/18).

CONFIDENTIAL

PER 8/19/92 BY SP-4 RE MR-NIC-91-99  
DECLASSIFIED  
E.O. 12356, Sec. 3A  
BY SP-4 NARS, DATE 11/1/93

Electrostatic Copy Made  
for Preservation Purposes

THE PRESIDENT'S SCHEDULE

Tuesday - January 24, 1978

---

7:15 Dr. Zbigniew Brzezinski - The Oval Office.

7:45 Mr. Frank Moore - The Oval Office.

8:00 Breakfast with Bipartisan Congressional Leadership.  
(60 min.) (Mr. Frank Moore) - The State Dining Room.

10:00 Senator Warren Magnuson. (Mr. Frank Moore).  
(15 min.) The Oval Office.

10:30 Mr. Jody Powell - The Oval Office.

11:00 Congressman Harold Johnson. (Mr. Frank Moore).  
(15 min.) The Oval Office.

11:45 Signing Ceremony for Executive Order for the  
(15 min.) Intelligence Community. (Dr. Zbigniew  
Brzezinski) - The Cabinet Room.

12:00 Lunch with Vice President Walter F. Mondale.  
The Oval Office.

1:00 Mr. James McIntyre - The Oval Office.  
(20 min.)

3:35 Greeting/Photograph with Mr. Gary Williamson,  
(5 min.) Mr. Mark Purdy, Mr. Larry Erickson, Mr. Richard  
Backes and Mr. Wally Beyer - The Oval Office.

3:45 Drop-By Panama Canal Briefing. (Mr. Hamilton  
(15 min.) Jordan) - The State Dining Room.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

January 20, 1978

SIGNING OF EXECUTIVE ORDER

Tuesday, January 24, 1978

11:45 a.m. (15 minutes)

The Cabinet Room

From: Zbigniew Brzezinski

25.

I. PURPOSE

This ceremonial signing is intended to (a) symbolize the importance of the new Executive Order for the Intelligence Community; (b) recognize the significant and unprecedented contribution of the Congressional oversight committees and (c) to prepare the ground for the drafting of statutory charters.

II. BACKGROUND, PARTICIPANTS & PRESS ARRANGEMENTS

A. Background: This Executive Order is the product of the most extensive and highest level review of our foreign intelligence activities ever conducted through the NSC system and of an unprecedented dialogue with Congress. It builds on the experience under President Ford's E. O. 11905 and is intended to provide a foundation for the drafting and enactment by Congress of statutory charters. (The signature copy of the new E. O. will be provided to you prior to the ceremony.)

B. Participants: List at Tab B

C. Press Arrangements: Ceremony to be announced, photo opportunity, release of "Statement by the President" (Tab A) and question and answer session with White House press corps (NSC Staff, DOD, CIA, Justice experts) following signing.

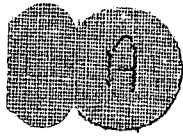


### III. ISSUES FOR DISCUSSIONS

1. You have approved for public release an official statement that summarizes in layman's terms the most important features of the Executive Order and your intentions. (Tab A) For the purposes of the signing ceremony you could reiterate the basic purposes which are:
  - Ensure that USG foreign intelligence and counterintelligence activities are conducted in full compliance with our laws and are consistent with broader national security policies.
  - Establish effective oversight of the direction, management and conduct of foreign intelligence activities.
  - Clarify the authority and responsibilities of the DCI and the several departments and agencies that have foreign intelligence and counterintelligence responsibilities.
2. The Senate Select Committee is proud of its significant contribution and its recently formed counterpart, House Select Committee, while not as much involved, wants to publicly associate itself with the new Executive Order. This will help mitigate a certain amount of inevitable criticism from some public interest groups that we have not gone far enough in restricting and reorganizing foreign intelligence activities. This is also an area of conspicuous success for the Administration in dealing with Congress for which we deserve some public credit. Therefore, you should:
  - Emphasize the unprecedented degree of constructive dialogue with the Congressional oversight committees.
  - Stress the fact that in this very sensitive area the Administration and Congress are working in harmony.
  - Provide the Congressional leaders with an opportunity to make remarks for the record.
3. The Senate Select Committee has held off on introducing legislation for statutory charters until the new E. O. was completed. You have committed yourself in principle to statutory charters and the E. O. is intended as both a foundation for drafting such legislation and as an interim step until it can be enacted. A problem in the near future is that some elements of the Committee are pressing for much more detailed charters, and especially restrictions, than are necessary or desirable if we are to have a functioning foreign intelligence effort. You will, therefore, want to:

- Only endorse in principle the concept of statutory charters.
- Stress your belief that the new E.O. provides a very substantial foundation and model for legislation.

Attachment



## Office of the White House Press Secretary

---

STATEMENT BY THE PRESIDENT

I have issued today an Executive Order concerning the organization and control of United States foreign intelligence activities. It is the product of the most extensive and highest level review ever conducted through the National Security Council system of our nation's foreign intelligence activities and of an unprecedented dialogue with the Congressional oversight committees.

The new Order, which builds on the experience under President Ford's Executive Order 11905, is intended to provide a foundation for the drafting of statutory charters and I intend to work closely with Congressional leaders to enact such legislation. Until then, however, the new Order will:

- ensure that foreign intelligence and counterintelligence activities are conducted in full compliance with the laws of the United States and are consistent with broader national security policies;
- establish effective oversight of the direction, management and conduct of the foreign intelligence activities of the federal government;
- clarify the authority and responsibilities of the Director of Central Intelligence (DCI) and the departments and agencies that have foreign intelligence and counterintelligence responsibilities.

The most important features of the new Executive Order are as follows:

1. The National Security Council and its two standing committees-- the Special Coordination Committee (SCC) and the Policy Review Committee (PRC) will, short of the President, provide the highest level review of and guidance for the policies and practices of the Intelligence Community.
  - The PRC, when acting on intelligence matters, will be chaired by the DCI, and is charged with defining and establishing priorities for consumer requirements for intelligence, making sure these are reflected in budget decisions and evaluation of analytical products. This ensures that the needs of the most important users of intelligence will guide the entire intelligence process.

MORE

- The SCC, chaired by the Assistant to the President for National Security Affairs, will review and make recommendations to the President on the most sensitive intelligence operations and, as appropriate, on collection activities. This committee will also, for the first time, assume responsibility for developing policy for and coordination of all counterintelligence activities.
2. The authorities and responsibilities of all departments, agencies and senior officials engaged in foreign intelligence and counterintelligence activities are being made public. Those implementing directives which must remain classified for security reasons will be made available to the appropriate Congressional oversight committees. The new Order implements my earlier decision to centralize under the DCI the most important national intelligence management functions--collection requirements, budget control, and analysis--while operational and support activities are left unchanged and decentralized.

The specific operational responsibilities of each of the elements of the Intelligence Community, as well as their most important community relationships, are spelled out. Two important organizational mechanisms are established to facilitate these functions:

- The National Intelligence Tasking Center, operating in peacetime under the control of the DCI or, under the Secretary of Defense when the President so directs, will be responsible for coordinating and tasking national foreign intelligence collection programs.
  - The National Foreign Intelligence Board, which includes the members of the Intelligence Community, is an advisory body to the DCI on all national intelligence activities and the budget.
3. Our intelligence agencies have a critical role to play in collecting and analyzing information important to our national security interests and, on occasion, acting in direct support of major foreign policy objectives. It is equally important, however, that the methods employed by these agencies meet Constitutional standards protecting the privacy and civil liberties of U.S. persons and are in full compliance with the law.

To accomplish this objective a major section of the Executive Order is devoted entirely to setting forth detailed restrictions on intelligence collection, covert activities in support of foreign policy objectives, experimentation, contracting, assistance to law enforcement authorities, personnel assigned to other agencies, indirect

participation in prohibited activities, dissemination and storage of information and a prohibition on assassinations. The FBI's intelligence activities no longer have a blanket exception to these restrictions.

At the heart of the restriction process is a greatly enhanced role for the Attorney General, as the nation's top legal officer, to establish and approve procedures to regulate the conduct of the most sensitive intelligence activities. These detailed procedures, which will be made available to the Congressional oversight committees, will ensure compliance with the law, protect constitutional rights and privacy, and ensure that any intelligence activity within the United States or directed against Americans will employ the least intrusive means possible and that the use, dissemination and storage of such information is limited to that necessary to achieve lawful governmental purposes.

4. As an added protection against abuses and to help ensure effective performance, the intelligence oversight process is strengthened.
  - The Intelligence Oversight Board is retained and its responsibilities for review of foreign intelligence activities that may be illegal or improper is extended to the counterintelligence area and it is given new authority to conduct investigations.
  - The DCI and senior officers of the Intelligence Community are instructed to report to the Congressional intelligence committees in a complete and prompt manner.

I believe that this Executive Order represents an important step forward in assuring the American people that their intelligence agencies will be working effectively for them and not infringing on their legal rights. The next step will be to establish these authorities and restrictions in legislation binding on this and future Administrations.



## Invitees to Signing Ceremony

### Senate Select Committee on Intelligence

Birch Bayh, Chairman  
Daniel K. Inouye, former Chairman  
Barry M. Goldwater, Vice Chairman  
Walter D. Huddleston, Chairman Subcommittee on Charters & Guidelines  
Charles McC. Mathias, Vice Chairman, Subcommittee on Charters & Guidelines  
Elliott Maxwell, Counsel  
William Miller, Staff Director

### House Permanent Select Committee on Intelligence

Edward P. Boland, Chairman  
Bob Wilson, Ranking Minority Member  
Morgan Murphy, Chairman Subcommittee on Legislation  
Robert McClory, Ranking Minority Member, Subcommittee on Legislation  
Romano L. Mazzoli, Subcommittee on Legislation  
Michael O'Neill, Chief Counsel  
Thomas Latimer, Staff Director

### Senior Officials From Senate and House

Robert C. Byrd, Majority Leader of the Senate  
Howard H. Baker, Minority Leader of the Senate  
Thomas O'Neill, Jr., Speaker of the House  
James C. Wright, Minority Leader of House

### Senior Officials

Vice President Mondale  
Harold Brown, Secretary of Defense  
Griffin Bell, Attorney General  
Admiral Stansfield Turner, Director of Central Intelligence  
Thomas Farmer, Chairman of the Intelligence Oversight Board  
Admiral Bobby Inman, Director of the National Security Agency  
Harold Saunders, Director of INR, State Department

John Blake, Deputy Director/CIA  
Anthony Lapham, General Counsel, CIA  
Deanne Seimer, General Counsel, DOD  
Daniel Murphy, Deputy Undersecretary of Defense for Policy/DOD  
Hans Mark, Undersecretary of the Air Force  
John Harmon, Special Assistant to the Attorney General  
Frederick Baron, Special Assistant to the Attorney General  
Kenneth Bass, Office of Legal Counsel, Justice  
General Jack Thomas, Intelligence Community Staff

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
PER 11/19/01 CIA BY RE MP-NAC-91-98  
BY gag NARS. DATE 12/2/01



White House

Dr . Zbigniew Brzezinski

David Aaron

Robert Rosenberg (NSC Staff)

ATTACHMENT

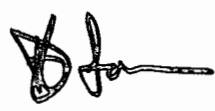
## THE WHITE HOUSE

INFORMATION

WASHINGTON

January 23, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI 

SUBJECT: Scenario for the Intelligence Community  
Executive Order Signing Ceremony

As an amplification to my memorandum "Signing of Executive Order," we have discussed details of the ceremony with representatives of the Congressional Leadership who will prepare their principals appropriately. Therefore, you should after signing the Executive Order and making your own remarks:

- Call on the Vice President to say a few words, based on his long association both in Congress and in the PRM 11 review process, regarding the Intelligence reorganization.
- Then call on Senator Inouye, the outgoing chairman of the Senate Select Committee, complimenting him on his leadership. His remarks will be a general endorsement of our joint efforts.
- Birch Bayh, the incoming chairman of the Senate Select Committee would like to then add his endorsement. You should endorse his chairmanship with wishes for success and continuing cooperation.
- You should then acknowledge Senator Walter Huddleston, Chairman of the Subcommittee on Charters & Guidelines, who is responsible for draft charter legislation. We have succeeded in persuading Huddleston to hold up introduction of charter legislation to preclude upstaging your own Executive Order. He plans shortly to introduce such legislation, but is expected to say that the draft legislation will serve as points of departure for mutually agreeable charters, rather than a unilateral effort on their part.
- The Chairman of the new House Select Committee, Edward Boland, would like to be called on to make a few remarks. You should express your pleasure regarding the cooperation already under way.
- Finally, Morgan Murphy, Chairman of the Subcommittee on Legislation, Huddleston's counterpart in the new House Committee, wishes to make a few remarks. You may wish to express the hope that we all work together closely (Senate, House and Administration) on charter legislation.

Your talking points for the Signing Ceremony have been forwarded separately. I have attached several additional talking points provided by Stan Turner and the Attorney General through Jim Fallows.

TALKING POINTS

THE WHITE HOUSE

WASHINGTON

January 23, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS, GRIFFIN SMITH

SUBJECT: Additional Talking Points for Signing Ceremony  
(Executive Order on Intelligence)

In addition to the points suggested by Zbigniew Brzezinski, you have been asked by Stansfield Turner and by the Department of Justice to consider mentioning the following:

ADMIRAL TURNER suggests

- that you acknowledge this Executive Order was produced by close cooperation between the Secretary of Defense and the Director of Central Intelligence;
- that you indicate your support for Admiral Turner's management of the Agency "which you suggested earlier," and
- that you express hope that the charter legislation will move smoothly, with Congress refraining from placing too much detail in the charters. "We need some flexibility in intelligence operations and oversight."

THE DEPARTMENT OF JUSTICE suggests

- that you note that the FBI, for the first time, is covered by the same requirements that the Ford order had applied to other intelligence agencies, and
- that Constitutional rights of privacy and civil liberties are fully protected by this Order. It makes the Attorney General responsible, as no previous order has done, for regulating the methods used by our intelligence agencies -- requiring him to set procedures that "ensure compliance with the law, protect constitutional rights and privacy, and ensure that any intelligence activity within the United States or directed against any United States person is conducted by the least intrusive means possible." They must also ensure that the information gained through intelligence work be used only to the extent "necessary to achieve lawful government purposes."

Invitees to Signing Ceremony

Senate Select Committee on Intelligence

Birch Bayh, Chairman  
Daniel K. Inouye, former Chairman  
Barry M. Goldwater, Vice Chairman  
Walter D. Huddleston, Chairman Subcommittee on Charters & Guidelines  
Charles McC. Mathias, Vice Chairman, Subcommittee on Charters & Guidelines  
Earl Eisenhower, Minority Staff Director  
Elliott Maxwell, Counsel  
William Miller, Staff Chief

House Permanent Select Committee on Intelligence

Edward P. Boland, Chairman  
Bob Wilson, Ranking Minority Member  
Morgan Murphy, Chairman Subcommittee on Legislation  
Robert McClory, Ranking Minority Member, Subcommittee on Legislation  
Thomas Latimer, Staff Chief  
Michael O'Neill, Chief Counsel  
Romano L. Mazzoli, Subcommittee on Legislation

Senior Officials From Senate and House

Robert C. Byrd, Majority Leader of the Senate  
Howard H. Baker, Minority Leader of the Senate  
Thomas O'Neill, Jr., Speaker of the House  
James C. Wright, Minority Leader of House

Senior Officials

Vice President Mondale  
Harold Brown, Secretary of Defense  
Griffin Bell, Attorney General  
Admiral Stansfield Turner, Director of Central Intelligence  
Thomas Farmer, Chairman of the Intelligence Oversight Board  
Admiral Bobby Inman, Director of the National Security Agency  
Harold Saunders, Director of INR, State Department

Anthony Lapham, General Counsel, CIA  
John Blake, Deputy Director/CIA  
Deanne Siemer, General Counsel, DOD  
Daniel Murphy, Deputy Undersecretary of Defense for Policy  
Frederick Baron, Special Assistant to the Attorney General (Intelligence)  
Hans Mark, Undersecretary of the Air Force  
Kenneth Bass, Office of Legal Counsel, Justice  
John Harmon, Special Assistant to the Attorney General  
General Jack Thomas, Intelligence Community Staff  
Herbert Hetu, Public Relations/ CIA

DECLASSIFIED

E.O. 12356, Sec. 3.4

11/14/14 CIA 11v RE MR-NLC-91-48  
Jey NARS, DATE 12/12/14

White House

Dr . Zbigniew Brzezinski (NSC)

David Aaron (NSC)

Robert Rosenberg (NSC)

Robert Lipshutz (White House Counsel)

Michael Cardoza (White House Counsel)

Douglas Huron (White House Counsel)

Robert Gates (NSC)

TALKING POINTS: NEW EXECUTIVE ORDER ON INTELLIGENCE

1. The new Order streamlines the organization of the Intelligence Community to improve the efficiency of our national intelligence-gathering apparatus. It does this primarily by enhancing the role of the DCI as a central coordinator of the budget and tasking functions.

2. The Order strengthens the internal oversight system of the Executive Branch for protecting the rights of American citizens. This is primarily achieved by strengthening the role of the Attorney General as an overseer of any intelligence gathering that could affect the rights of an American citizen. A number of new Attorney General guidelines and procedures to regulate intelligence activity are required under this Order.

3. The Order is an example of close coordination with the Congress in developing a proper balance between national security and civil liberties. The Order provides for giving Congress all information necessary for oversight purposes. The Order was developed in close consultation with Congress.



THE WHITE HOUSE  
WASHINGTON

*PERSONAL  
CONFIDENTIAL*

1-24-78

To V.P. Mondale  
Sec. Vance  
A. Brzezinski

In order to insure closer coordination of the political and staff dimensions of foreign policy decisions, I have asked Hamilton to participate more formally in discussions of foreign affairs. He will attend our weekly breakfasts and have access to all reports except the PDB.

Let's use Ham's political judgment & strategic planning ability.

*Jimmy*

PERSONAL

THE WHITE HOUSE  
WASHINGTON

1-24-78

To Senior Staff

I have asked Hamilton Jordan  
to:

Provide overall political & policy  
coordination and communication among  
the White House staff;

Convene weekly meetings of the  
senior staff & regular meetings of  
other staff members, & file reports  
of these meetings with me;

Convene bi-weekly meetings of  
the foreign policy - domestic political  
staff;

Advise me on better staff  
coordination & communication.

This will in no way affect the  
direct access and relationship you  
have with me. Give him your help  
& support.

Jimmy Carter

THE WHITE HOUSE  
WASHINGTON  
January 24, 1978

Bob Lipshutz

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Stu Eizenstat  
Hamilton Jordan  
Jim McIntyre

RE: MAINE - INDIAN LAND CLAIMS

ADMINISTRATIVELY  
CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

January 20, 1978

Bob - J  
See no advantage  
to the Federal  
Gov't - see me  
JC

MEMORANDUM FOR THE PRESIDENT

FROM: Robert J. Lipshutz *RJL*  
SUBJECT: Maine -- Indian Land Claims

With reference to this matter, you will recall that subsequent to Bill Gunter's recommendation to you I suggested that you withhold making a final determination of your recommendation to the Congress until we could discuss the matter with all of the various interested parties in an attempt to arrive at a consensus which was consistent with Bill Gunter's proposal.

During this period of time I personally have had numerous discussions with members of the Congressional Delegation from Maine, the Governor of Maine, the leaders of both Houses of the State Legislature, representatives of the Indian tribes, and others.

During the past few weeks, a three-person task force has been discussing details of proposals and counter proposals with the Indian tribes and their representatives, in an attempt to reach a consensus which was as close as possible to the Gunter recommendation and also in a form which the Maine political leadership (and particularly the Congressional Delegation) might concur. This three-person task force acting on our behalf consisted of Steve Clay (Bill Gunter's law partner), Leo Krulitz (Legal Counsel for the Department of Interior), and Eliot Cutler (representing OMB).

As a result of these numerous discussions we have arrived at a proposed "joint memorandum of understanding" between the Indian tribes and the Executive Office, which I am attaching, and which I recommend that you approve. I then will attempt to get the approval of the Maine Delegation, through the leadership of Senator Muskie, after which I would propose that we support the necessary legislative effort to implement this agreement.

In the first paragraph of this memorandum you will note the four alternative methods of settling this dispute. In essence,

the Federal government will have the option to consummate the agreement under any one of these four alternatives, the specific alternative to be exercised depending upon the decision of the large private landholders, on the one hand, and the State of Maine, on the other hand.

There are three categories of landholders in Maine: (1) small private landholders, (2) large private landholders (defined as those holding more than 100,000 acres of land), and (3) the State of Maine itself, which holds about 500,000 acres. Under the terms of this proposal, the minimum Federal obligation would be: (1) to extinguish the Indians' claim for up to 100,000 acres held by each landholder, thereby clearing title completely of all the land of the "small property owners" as well as 100,000 acres each of the land of the "large property owners"; (2) to appropriate \$25,000,000 to compensate the Indians for extinguishing these claims. It is my understanding that there are approximately seven companies (as well as the State) who own more than 100,000 acres of land each; these are the "large property owners".

The Federal dollar obligation then could increase to a maximum of \$30,000,000 if the large private landholders agree to settle. The Federal government would have to be able to acquire this 300,000 acres of land from the "large property owners" at an average price of only \$16.66 per acre -- which is considerably less than the current fair market value of such land.

With reference to the State of Maine, which owns approximately 500,000 acres of land to which the title is in question as a result of these claims, the State would have the option either of:

1. Continuing to litigate over this matter, as the State Attorney General and Governor have indicated they would do; or
2. Settling this claim against the land for the sum of \$15 million.

With reference to the State of Maine and the Indian tribes, up until this time the State has expended a considerable sum each year for the benefit of the tribes, primarily because the tribes have not heretofore been "formally recognized as tribes" entitled to Federal benefits. That now has been changed, and it is quite likely that the annual expenditure by the State of Maine would be eliminated or substantially reduced. Nevertheless, the State still would find it difficult, both financially and politically, to pay out a sum

as large as \$15 million at one time to settle this matter. Therefore, this seems to be the most difficult aspect of the dispute to settle, but we still believe this is the best approach at present. As contrasted with the pendency of law suits against private landowners, there is little, if any, economic dislocation created by an ongoing law suit involving only the publicly held land of the State of Maine.

Bill Gunter and I both recommend that you approve proceeding in this matter.

\_\_\_\_\_ Approve

\_\_\_\_\_ Disapprove

\_\_\_\_\_ Other



ADMINISTRATIVELY CONFIDENTIAL

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SOLICITOR  
WASHINGTON, D.C. 20240

JAN 19 1978

Joint Memorandum of Understanding between:

- . Passamaquoddy/Penobscot Negotiation Committee
- . Eliot Cutler, Leo Krulitz, Steven Clay--White House  
Work Group on Indian Claims in Maine

We agree as follows:

Items 1 and 2

The Nations agree to accept any one of the four following settlement alternatives: (1) settlement of claims against small landholders, litigation for possession and trespass damages against all others; (2) settlement of claims against all private landholders, litigation against the State of Maine; (3) settlement of claims against small landholders and the State of Maine, litigation against large landholders; (4) settlement of all claims. Amounts of land and money for the alternatives are as follows:

Alternatives	<u>Land</u>	<u>Money</u>
1	-0-	\$25,000,000
2	300,000 acres plus options to purchase 200,000 acres	\$28,500,000
3	-0-	\$40,000,000
4	300,000 acres plus options to purchase 200,000 acres	\$43,500,000

- (a) The Federal Government reserves the right to select any of the above alternatives. The Federal Government will consult with the Tribes in advance before final selection of an alternative.



- (b) The amount of land and money to be obtained under the various alternatives from the various parties shall be determined by the Federal Government. In no event shall the total amounts under each alternative be less than as specified above.
- (c) The land selection process will be established with the consent of the Nations and the Federal Government. All lands acquired in a settlement shall be held in Trust for the benefit of the Nations by the Federal Government.
- (d) The funds shall be paid in Trust for the benefit of the Nations on terms agreeable to them and the Federal Government. No part of the capital will be distributed on a per capita basis. The terms of the Trust shall not preclude reasonable investment of the principal nor effect in any way the right of the Nations to dispose of income. The right to dispose of income shall be wholly a matter for tribal discretion.
- (e) The 300,000 acres of land to be obtained under alternatives 2 and 4 shall be average quality woodland which has a current market value of about \$112.50 per acre.
- (f) The options for the purchase of 200,000 acres of land will be exercisable by the Tribes at market value at the time exercised. Tribal funds will be used to exercise the options.
- (g) To facilitate acquisition of the land specified in (e), the Federal Government will offer to purchase such 300,000 acres up to a total cost of \$5,000,000.
- (h) Land and money provided by this settlement shall be divided equally between the two Nations.

Items 3 and 4

The Federal Government pledges that the Nations will be considered fully federally recognized tribes and will receive all federal services, benefits and entitlements on the same basis as other federally recognized tribes. If option 3 or 4 is implemented, the State of Maine will not be expected to provide any special Indian services to the Tribes.



Item 5

If land is acquired pursuant to alternatives 2 and 4, such land and lands currently held by the Tribes shall be treated for governmental purposes as other federally recognized tribal lands are treated. The consent of the United States shall be given for the State of Maine to exercise jurisdiction over criminal offenses and civil causes of action with regard to such lands pursuant to 25 USC 1321, 1322. Provided, however, that the United States shall have the right to effect a retrocession of such criminal and civil jurisdiction upon request of the Tribes within two years.

Items 6 and 7

If either alternative 2 or 4 is implemented, in addition to acquiring the land specified, the Federal Government shall use its best effort to acquire easements for hunting, fishing, trapping, fowling, and gathering for non-commercial purposes and the right to obtain brown and yellow ash from the large landowners within the claim area defined with certainty in the last litigation report on file with Justice from the Department of the Interior which easements shall in no way interfere with the property owners' right to use such lands for any purpose. If such efforts are unsuccessful, the Tribes shall have the right to reject such alternative.

Item 8

We will further discuss the problem of flooding by Bangor Hydro-Electric.

Item 9

The Federal Government will vigorously pursue a final solution on the terms specified in this memorandum of understanding. A letter from the President will be provided promising to vigorously oppose any Congressional effort to extinguish the Tribes claims without Tribal consent on terms other than provided herein.

Item 10

We are agreed that it would be preferable if the private non-Indian landholders within Indian Township could be convinced to voluntarily sell their claims to lands within that township, and that we will make a good faith effort to obtain such consent.

Item 11

The settlement will take a form which will effectuate the terms of this agreement and preclude further litigation as indicated.

Item 12

The Work Group will have 60 days after the initialling of this Memorandum of Understanding in which to reach an agreement in principle with the state of Maine and large land owners.

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
/		EIZENSTAT
/		JORDAN
/		LIPSHUTZ
		MOORE
		POWELL
		WATSON
/		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE  
WASHINGTON

TO :

Rich  
Hutcherson

---

Note page 3.  
Signed today.

1/24/78

RJL

THE WHITE HOUSE  
WASHINGTON

January 20, 1978

Bob - I  
See no advantage  
to the Federal  
Gov't - see me  
JC

MEMORANDUM FOR THE PRESIDENT

FROM: Robert J. Lipshutz *RJL*  
SUBJECT: Maine -- Indian Land Claims

With reference to this matter, you will recall that subsequent to Bill Gunter's recommendation to you I suggested that you withhold making a final determination of your recommendation to the Congress until we could discuss the matter with all of the various interested parties in an attempt to arrive at a consensus which was consistent with Bill Gunter's proposal.

During this period of time I personally have had numerous discussions with members of the Congressional Delegation from Maine, the Governor of Maine, the leaders of both Houses of the State Legislature, representatives of the Indian tribes, and others.

During the past few weeks, a three-person task force has been discussing details of proposals and counter proposals with the Indian tribes and their representatives, in an attempt to reach a consensus which was as close as possible to the Gunter recommendation and also in a form which the Maine political leadership (and particularly the Congressional Delegation) might concur. This three-person task force acting on our behalf consisted of Steve Clay (Bill Gunter's law partner), Leo Krulitz (Legal Counsel for the Department of Interior), and Eliot Cutler (representing OMB).

As a result of these numerous discussions we have arrived at a proposed "joint memorandum of understanding" between the Indian tribes and the Executive Office, which I am attaching, and which I recommend that you approve. I then will attempt to get the approval of the Maine Delegation, through the leadership of Senator Muskie, after which I would propose that we support the necessary legislative effort to implement this agreement.

In the first paragraph of this memorandum you will note the four alternative methods of settling this dispute. In essence,

the Federal government will have the option to consummate the agreement under any one of these four alternatives, the specific alternative to be exercised depending upon the decision of the large private landholders, on the one hand, and the State of Maine, on the other hand.

There are three categories of landholders in Maine: (1) small private landholders, (2) large private landholders (defined as those holding more than 100,000 acres of land), and (3) the State of Maine itself, which holds about 500,000 acres. Under the terms of this proposal, the minimum Federal obligation would be: (1) to extinguish the Indians' claim for up to 100,000 acres held by each landholder, thereby clearing title completely of all the land of the "small property owners" as well as 100,000 acres each of the land of the "large property owners"; (2) to appropriate \$25,000,000 to compensate the Indians for extinguishing these claims. It is my understanding that there are approximately seven companies (as well as the State) who own more than 100,000 acres of land each; these are the "large property owners".

The Federal dollar obligation then could increase to a maximum of \$30,000,000 if the large private landholders agree to settle. The Federal government would have to be able to acquire this 300,000 acres of land from the "large property owners" at an average price of only \$16.66 per acre -- which is considerably less than the current fair market value of such land.

With reference to the State of Maine, which owns approximately 500,000 acres of land to which the title is in question as a result of these claims, the State would have the option either of:

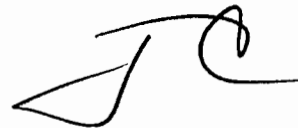
1. Continuing to litigate over this matter, as the State Attorney General and Governor have indicated they would do; or
2. Settling this claim against the land for the sum of \$15 million.

With reference to the State of Maine and the Indian tribes, up until this time the State has expended a considerable sum each year for the benefit of the tribes, primarily because the tribes have not heretofore been "formally recognized as tribes" entitled to Federal benefits. That now has been changed, and it is quite likely that the annual expenditure by the State of Maine would be eliminated or substantially reduced. Nevertheless, the State still would find it difficult, both financially and politically, to pay out a sum

as large as \$15 million at one time to settle this matter. Therefore, this seems to be the most difficult aspect of the dispute to settle, but we still believe this is the best approach at present. As contrasted with the pendency of law suits against private landowners, there is little, if any, economic dislocation created by an ongoing law suit involving only the publicly held land of the State of Maine.

Bill Gunter and I both recommend that you approve proceeding in this matter.

☒ Approve  
☐ Disapprove  
☐ Other

A handwritten signature, possibly "JC", is written in ink to the right of the response options.



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SOLICITOR  
WASHINGTON, D C 20240

JAN 19 1978

## Joint Memorandum of Understanding between:

- Passamaquoddy/Penobscot Negotiation Committee
- Eliot Cutler, Leo Krulitz, Steven Clay--White House Work Group on Indian Claims in Maine

We agree as follows:

Items 1 and 2

The Nations agree to accept any one of the four following settlement alternatives: (1) settlement of claims against small landholders, litigation for possession and trespass damages against all others; (2) settlement of claims against all private landholders, litigation against the State of Maine; (3) settlement of claims against small landholders and the State of Maine, litigation against large landholders; (4) settlement of all claims. Amounts of land and money for the alternatives are as follows:

Alternatives	<u>Land</u>	<u>Money</u>
1	-0-	\$25,000,000
2	300,000 acres plus options to purchase 200,000 acres	\$28,500,000
3	-0-	\$40,000,000
4	300,000 acres plus options to purchase 200,000 acres	\$43,500,000

- (a) The Federal Government reserves the right to select any of the above alternatives. The Federal Government will consult with the Tribes in advance before final selection of an alternative.





- (b) The amount of land and money to be obtained under the various alternatives from the various parties shall be determined by the Federal Government. In no event shall the total amounts under each alternative be less than as specified above.
- (c) The land selection process will be established with the consent of the Nations and the Federal Government. All lands acquired in a settlement shall be held in Trust for the benefit of the Nations by the Federal Government.
- (d) The funds shall be paid in Trust for the benefit of the Nations on terms agreeable to them and the Federal Government. No part of the capital will be distributed on a per capita basis. The terms of the Trust shall not preclude reasonable investment of the principal nor effect in any way the right of the Nations to dispose of income. The right to dispose of income shall be wholly a matter for tribal discretion.
- (e) The 300,000 acres of land to be obtained under alternatives 2 and 4 shall be average quality woodland which has a current market value of about \$112.50 per acre.
- (f) The options for the purchase of 200,000 acres of land will be exercisable by the Tribes at market value at the time exercised. Tribal funds will be used to exercise the options.
- (g) To facilitate acquisition of the land specified in (e), the Federal Government will offer to purchase such 300,000 acres up to a total cost of \$5,000,000.
- (h) Land and money provided by this settlement shall be divided equally between the two Nations.

Items 3 and 4

The Federal Government pledges that the Nations will be considered fully federally recognized tribes and will receive all federal services, benefits and entitlements on the same basis as other federally recognized tribes. If option 3 or 4 is implemented, the State of Maine will not be expected to provide any special Indian services to the Tribes.

Item 5

If land is acquired pursuant to alternatives 2 and 4, such land and lands currently held by the Tribes shall be treated for governmental purposes as other federally recognized tribal lands are treated. The consent of the United States shall be given for the State of Maine to exercise jurisdiction over criminal offenses and civil causes of action with regard to such lands pursuant to 25 USC 1321, 1322. Provided, however, that the United States shall have the right to effect a retrocession of such criminal and civil jurisdiction upon request of the Tribes within two years.

Items 6 and 7

If either alternative 2 or 4 is implemented, in addition to acquiring the land specified, the Federal Government shall use its best effort to acquire easements for hunting, fishing, trapping, fowling, and gathering for non-commercial purposes and the right to obtain brown and yellow ash from the large landowners within the claim area defined with certainty in the last litigation report on file with Justice from the Department of the Interior which easements shall in no way interfere with the property owners' right to use such lands for any purpose. If such efforts are unsuccessful, the Tribes shall have the right to reject such alternative.

Item 8

We will further discuss the problem of flooding by Bangor Hydro-Electric.

Item 9

The Federal Government will vigorously pursue a final solution on the terms specified in this memorandum of understanding. A letter from the President will be provided promising to vigorously oppose any Congressional effort to extinguish the Tribes claims without Tribal consent on terms other than provided herein.

Item 10

We are agreed that it would be preferable if the private non-Indian landholders within Indian Township could be convinced to voluntarily sell their claims to lands within that township, and that we will make a good faith effort to obtain such consent.

Item 11

The settlement will take a form which will effectuate the terms of this agreement and preclude further litigation as indicated.

Item 12

The Work Group will have 60 days after the initialling of this Memorandum of Understanding in which to reach an agreement in principle with the state of Maine and large land owners.

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

January 20, 1978

MEMORANDUM FOR: BOB LIPSHUTZ  
FROM: DOUG HURON *DH*  
RE: Maine Indians

You asked me to look over your memo concerning the proposed Maine settlement. I was somewhat confused by two paragraphs on page 2 (see the attached marked-up copy) and I would suggest substituting language similar to the two paragraphs on the attached page.

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

January 20, 1978

MEMORANDUM

TO: Doug Huron  
FROM: Bob Lipshutz



Attached is a memorandum to the President regarding the Maine Indian Land Claims. Unless you see something wrong with it, I would appreciate your giving it to Rick today or tomorrow so it will be on the President's desk when he returns Monday afternoon.

If you think there are some changes needed in my memorandum, give me a note on them so that I will have it on my desk when I return Sunday evening or the first thing Monday morning.

ID 780312

THE WHITE HOUSE  
WASHINGTON



DATE: JAN 23 78

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

JODY POWELL

STU EIZENSTAT

HAMILTON JORDAN

JIM MCINTYRE

FRANK MOORE (LES FRANCIS)

FROM: RICK HUTCHESON WHITE HOUSE STAFF SECRETARY PHONE 456-7052

SUBJECT LIPSHUTZ ADMINISTRATIVELY CONFIDENTIAL MEMO DATED 1/20/78 RE INDIAN  
LAND CLAIMS -- MAINE

RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY

BY

JAN 23 78

ACTION REQUESTED: IF YOU WISH TO COMMENT PLEASE CALL IMMEDIATELY

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD; DO NOT FORWARD.

PLEASE NOTE OTHER COMMENTS BELOW:

356

THE WHITE HOUSE  
WASHINGTON

January 24, 1978

Secretary Schlesinger

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson

RE: CRUDE OIL STOCK PILE

THE WHITE HOUSE  
WASHINGTON

CC  
Schlesinger



*Jimmy from Kirbo*  
*Pres. Carter*  
**LANKFORD INVESTMENT CO. LTD.**

**FRANK E. LANKFORD**  
GENERAL PARTNER

**THE PRESIDENT HAS SEEN**

*I don't know this  
man, but - this  
may be of interest  
He does not seem to be  
a nut - but  
wheeler-dealer*  
**4501 OLD CALDWELL MILL ROAD  
BIRMINGHAM, ALABAMA 35243  
PHONE 205 - 967-3173**

January 11, 1978

*cc: Schlesinger*  
*J*

Mr. Charles H. Kirbo, Attorney at Law  
King and Spalding  
2500 Truss Company Tower  
Atlanta, Georgia 30303

Dear Mr. Kirbo:

I am very grateful to you for the kind reception extended me in your office yesterday. I appreciate very much your considered hearing of the problem I presented and your promise to bring it to the attention of the President.

As requested by you, I am enclosing a copy of the wire I sent to the President, and here follows an outline of some of the considerations involved in my proposal.

According to Secretary Blumenthal, the present program being handled by the Defense Supply Agency to acquire a stock pile of crude oil will, over the next two or three years, cause America to make an outlay of approximately \$22 billion. The purchases under this program have already begun, and the oil is being stored in salt domes in Louisiana and, I believe, Texas.

The net effect of this program as far as a balance of trade problem is concerned is to worsen it to the extent of \$22 billion, unless these funds can return to America in the form of purchases for American capital goods.

I am certain this can be arranged if we are able to represent to the oil suppliers that America will take a long term lifting of their oil. Short term or spot liftings of oil will not result in any appreciable discount under OPEC posted prices. Long term liftings

# LANKFORD INVESTMENT CO. LTD.

FRANK E. LANKFORD  
GENERAL PARTNER

4501 OLD CALDWELL MILL ROAD  
BIRMINGHAM, ALABAMA 35243  
PHONE 205 - 967-3173

are extremely valuable to the oil producing nations, who face a constantly declining revenue at their well heads and a constantly increasing demand for capital expenditures. I am familar in detail with the budget of Nigeria and its revenues and can tell you as a matter of fact that their revenues from the well heads do not equal their current and forecast expenditures for internal development. This particular country will within the next 12 months have new external borrowings in excess of two billion. Internal borrowings occur almost daily.

If our country were in a position to offer oil producers drawing rights on American capital goods rather than cash, we would then have the assurance, to the extent of this trade, that this sum of money would be returned almost instantly to America in the form of purchases for capital goods. This arrangement simply cannot work without the intervention of the United States Government, due primarily to the fact that no supplier of capital goods in America could supply an amount sufficiently large to justify discounts from OPEC posted prices.

The largest ships available (VLCC) will carry approximately 1,300,000 barrels. This times \$14.00 will approximate \$18 million worth of goods, and this is simply not enough to leverage a discount.

If we were able to assure an oil producing nation that the lift would be over a period of years and would absorb in the neighborhood of hundreds of millions of dollars, I think our possibility of reducing price per barrel would be real and significant.

I have personally taken this up with the management of the Nigerian Oil Corporation, and they are favorably inclined towards this kind of approach. This gives them the opportunity to budget these revenues, since they would be assured by long term purchase agreements by a competent purchaser.

## LANKFORD INVESTMENT CO. LTD.

FRANK E. LANKFORD  
GENERAL PARTNER

4501 OLD CALDWELL MILL ROAD  
BIRMINGHAM, ALABAMA 35243  
PHONE 205 - 967-3173

Just how these capital drawing rights would be structured is a matter about which I know very little. You mentioned that it might take an act of Congress. I merely suggest it is possible that America, without an act of Congress, might be able to purchase on credit these quantities of oil and deliver to the seller promissory notes redeemable in capital goods rather than dollars.

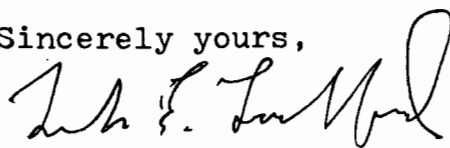
Such a proposal would keep the American government out of the bargaining process. It would only be involved on the day of redemption of the notes, which would presumably be held by American companies who had already struck their bargain with the oil producers and made delivery.

I am sure that an imaginative mind such as surely must be around the President could come up with some solution.

If I can be of help in this matter, do not hesitate to call upon me.

Thank you once more; it was a pleasure to see you.

Sincerely yours,

A handwritten signature in dark ink, appearing to read 'Frank E. Lankford', written in a cursive style.

Frank E. Lankford

10:00 A.M.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

MEETING WITH SENATOR WARREN MAGNUSON

Tuesday, January 24, 1978

10:00 a.m. (15 minutes)

The Oval Office

From: Frank Moore *Fm/p1*

I. PURPOSE

To discuss various topics of mutual interest and concern.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Senator Magnuson is in line to become Chairman of the Senate Appropriations Committee. He is not a tight-fisted person and needs shoring up of whatever fiscal responsibility he is possessed of.

B. Participants: The President  
Senator Warren Magnuson (D-Wash)  
Frank Moore

C. Press Plan: White House Photo.

III. TALKING POINTS

1. OMB plans to set up specific teams of policy and liaison officials to monitor Congressional action on appropriation bills which often include programs dealing with many different agencies. They plan to contact Senator Magnuson, as well as the subcommittee chairmen, shortly after the budget message goes to the Hill to discuss how specific budget recommendations relate to the 13 annual appropriation bills. They will also propose ways the Administration can work with Congress to hold the line on spending add-ons.

2. Senator Magnuson has always been interested in health research. You might want to mention that a basic thrust of the budget will be for higher Federal funding of basic research in all scientific fields.

3. Senator Magnuson is still expressing doubts about the Panama Canal Treaties, although we expect him to be with us when the time comes. It would be helpful if you could urge him to oppose all amendments to the Treaties other than the one including the October 14 statement.

4. As you remember, Senator Magnuson has expressed concern about Jack Tanner whom you nominated to be United States District Judge for Eastern and Western Districts of Washington. He may bring up this issue again with you. His office did know that the nomination was going to be sent up to the Senate last week.

*I was told  
he was for  
Tanner*

THE WHITE HOUSE

WASHINGTON

MEETING WITH SENATOR WARREN MAGNUSON

Tuesday, January 24, 1978

10:00 a.m. (15 minutes)

The Oval Office

From: Frank Moore

I. PURPOSE

To discuss various topics of mutual interest and concern.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Senator Magnuson is in line to become Chairman of the Senate Appropriations Committee. He is not a tight-fisted person and needs shoring up of whatever fiscal responsibility he is possessed of.

B. Participants: The President  
Senator Warren Magnuson (D-Wash)  
Frank Moore

C. Press Plan: White House Photo.

III. TALKING POINTS

1. OMB plans to set up specific teams of policy and liaison officials to monitor Congressional action on appropriation bills which often include programs dealing with many different agencies. They plan to contact Senator Magnuson, as well as the subcommittee chairmen, shortly after the budget message goes to the Hill to discuss how specific budget recommendations relate to the 13 annual appropriation bills. They will also propose ways the Administration can work with Congress to hold the line on spending add-ons.

2. Senator Magnuson has always been interested in health research. You might want to mention that a basic thrust of the budget will be for higher Federal funding of basic research in all scientific fields.

3. Senator Magnuson is still expressing doubts about the Panama Canal Treaties, although we expect him to be with us when the time comes. It would be helpful if you could urge him to oppose all amendments to the Treaties other than the one including the October 14 statement.

4. As you remember, Senator Magnuson has expressed concern about Jack Tanner whom you nominated to be United States District Judge for Eastern and Western Districts of Washington. He may bring up this issue again with you. His office did know that the nomination was going to be sent up to the Senate last week.

354

THE WHITE HOUSE  
WASHINGTON  
January 24, 1978

Zbig Brzezinski

The attached was returned in the President's outbox today and is forwarded to you for your information and appropriate handling. Please forward the attached copy of Sec. Brown. The signed original has been given to Bob Linder.

Rick Hutcheson

cc: Jody Powell  
Bob Linder

RE: PRESIDENTIAL UNIT CITATION



THE PRESIDENT HAS SEEN.

THE SECRETARY OF DEFENSE  
WASHINGTON, D. C. 20301

*Harold. I  
presume that in  
comparison with  
other tank battalions -  
11 JAN 1978 the 761<sup>st</sup>  
exhibited "extraordinary"  
heroism. Therefore, I*

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Proposed Award of the Presidential Unit Citation *am  
signing -*

The Secretary of the Army has recommended and I concur in the award of the Presidential Unit Citation to the 761st Tank Battalion, United States Army, for extraordinary heroism during World War II in connection with military operations against an opposing armed force in the European Theater of Operations during the period 31 October 1944 to 6 May 1945. *J.C.*

The 761st Tank Battalion was the first all-black tank battalion activated and put into battle in the European Theater of Operations in World War II. Since 1945 members of the unit have been attempting unsuccessfully to gain recognition for its accomplishments. The last formal board consideration took place in 1947-48 and resulted in denial of any award. Thereafter numerous requests for reconsideration were refused on the ground that no substantial new evidence was presented. As a result of a letter to the Secretary of the Army in April 1977, the case of the 761st Tank Battalion was reopened to assure that after over thirty years of continuous correspondence, the former members of the 761st could be certain that their case had been given every opportunity for fair and just consideration. After consideration of much additional evidence obtained from various historical sources, it has been concluded that the unit is indeed deserving of special recognition.

The file of correspondence supporting this recommendation is available if you wish to review it.

*Harold Brown*

Attachments - 3

- Tab A - Citation
- Tab B - Press Release
- Tab C - Summary of  
Recommendation



By virtue of the authority vested in me as President of the United States and as Commander in Chief of the Armed Forces of the United States, I have today awarded

**THE PRESIDENTIAL UNIT CITATION (ARMY)  
FOR EXTRAORDINARY HEROISM  
TO THE  
761st TANK BATTALION, UNITED STATES ARMY**

The 761st Tank Battalion distinguished itself by extraordinary gallantry, courage, professionalism and high esprit de corps displayed in the accomplishment of unusually difficult and hazardous operations in the European Theater of Operations from 31 October 1944 to 6 May 1945. During 183 days in combat, elements of the 761st - the first United States Army tank battalion committed to battle comprised of black soldiers - were responsible for inflicting thousands of enemy casualties and for capturing, destroying, or aiding in the liberation of more than 30 major towns, 4 airfields, 3 ammunition supply dumps, 461 wheeled vehicles, 34 tanks, 113 large guns, 1 radio station, and numerous individual and crew-served weapons. This was accomplished while enduring an overall casualty rate approaching 50 percent, the loss of 71 tanks, and in spite of extremely adverse weather conditions, very difficult terrain not suited to armor operations, heavily fortified enemy positions and units, and extreme shortages of replacement personnel and equipment. The accomplishments are outstanding examples of the indomitable spirit and heroism displayed by the tank crews of the 761st. In one of the first major combat actions of the 761st, in the vicinity of Vic-sur-Seille and Morville-les-Vic, France, the battalion faced a reinforced enemy division. Despite the overwhelming superiority of enemy forces, elements of the battalion initiated a furious and persistent attack which caused defending enemy elements to withdraw. While pursuing the enemy, tanks of the 761st were immobilized before an anti-tank ditch. Savage fire from enemy bazooka and rocket launcher teams, positioned 50 yards beyond the ditch, disabled many of the vehicles. Crewmen dismounted the disabled tanks, crawled under them with their 50 caliber weapons, and placed withering fire upon the enemy positions. This resulted in the elimination of many of the positions and virtually destroyed two enemy companies while permitting the escape of other tanks and crews and eventual completion of the mission. From 5 January 1945 to 9 January 1945, the 761st engaged the 15th SS Panzer Division in the vicinity of Tillet, Belgium. Suffering severe casualties and damage to their tanks, the 761st attacked and counter-attacked throughout the five-day period against a numerically superior force in both personnel and equipment, and on 9 January 1945 the men of the 761st routed the enemy from Tillet and captured the town. This action was significant in that the enemy was prevented from further supply of its forces encircling Bastogne, and the United States troops there, because of the closing of the Brussels-Bastogne highway by the men of the 761st. One of the most significant accomplishments of the 761st began 20 March 1945 when, acting as the armor spearhead, the unit broke through the Siegfried Line into the Rhine plain, allowing units of the 4th Armored Division to move through to the Rhine River. During the period 20 March 1945 to 23 March 1945 the battalion, after operating far in advance of friendly artillery, encountered the fiercest of enemy resistance in the most heavily defended area of the war theater. Throughout the 72-hour period of the attack, elements of the 761st assaulted and destroyed enemy fortifications with a speed and intensity that enabled the capture or destruction of 7 Siegfried towns, 31 pill-boxes, 49 machine gun emplacements, 61 anti-tank guns, 451 vehicles, 11 ammunition trucks, 4 self-propelled guns, one 170mm artillery piece, 200 horses, and one ammunition dump. Enemy casualties totaled over 4,100 and of those captured it was determined that the 761st in its Siegfried Line attack had faced elements of 14 different German divisions. The accomplishments of the 761st in the Siegfried area were truly magnificent as the successful crossing of the Rhine River into Germany was totally dependent upon the accomplishment of their mission. The men of the 761st Tank Battalion, while serving as a separate battalion with the 26th, 71st, 79th, 87th, 95th, and 103d Infantry Divisions, the 17th Airborne Division, and 3d, 7th, and 9th Armies in 183 continuous days in battle, fought major engagements in six European countries, participated in four major allied campaigns, and on 6 May 1945, as the easternmost American soldiers in Austria, ended their combat missions by joining with the First Ukrainian Army (Russian) at the Enn River, Steyr, Austria. Throughout this period of combat, the courageous and professional actions of the members of the "Black Panther" battalion, coupled with their indomitable fighting spirit and devotion to duty, reflect great credit on the 761st Tank Battalion, the United States Army, and this Nation.

*Jimmy Carter*

THE PRESIDENT HAS SEEN  
THE WHITE HOUSE  
WASHINGTON

January 24, 1978

MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE  
BOB THOMSON *Bb*

Senator Riegle and his father are at the Panama briefing. It would be helpful if you could find a way to greet or welcome the Senator's father. We are going to need Senator Riegle's help on the Seafarer project. A decision memo on that project will be on your desk by the end of the week.

The father's name is Donald W. Riegle, Sr. He is from Flint, Michigan. He owns and operates a printing business called Riegle Press.

NOTE: Congressman Michael Blouin from Iowa is also in the audience.

11:00 A.M.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

January 23, 1978

MEETING WITH CHAIRMAN HAROLD T. (BIZZ) JOHNSON (D-CALIF. 1)

Tuesday, January 24, 1978

11:00 A.M. (15 minutes)

The Oval Office

From: Frank Moore *FM/pd*

I. PURPOSE

To discuss the legislative agenda and priorities  
in the House Public Works and Transportation Committee  
for the coming year.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: Chairman Johnson's staff members have shared with us the points he would like to discuss with you. They center on the following:
1. His committee will have all of our legislation dealing with transportation and water resources.
  2. Chairman Johnson's personal concerns are centered on the water policy of this Administration because of his chairmanship and the fact that he is from the west.
- B. Participants: The President, Chairman Bizz Johnson, Frank Moore, and Jim Free.
- C. Press Plan: White House photographer.

III. TALKING POINTS

Highway and Public Transportation Improvement Act of 1978

Chairman Johnson will want to discuss Secretary Adams' proposed program reforms. The major points are:

1. The proposed funding levels allow for steady, moderate

32 Hwy  
13 Xst

program growth in the 1979-1982 period. Total authorizations of \$45.4 billion are requested (\$32.1 billion for highways and \$13.3 billion for transit). Although it will be the inclination of committee members to propose increases in the authorizations, it is important for the committee to recognize the need for fiscal restraint.

42 → 8

2. We are proposing consolidation of 42 narrow categorical programs into 8 broader program categories. This consolidation will permit more flexible use of funds by states and localities. (The inclination of the committee will be to maintain the existing categories.)
3. We are proposing to accelerate construction of the Interstate Highway System by concentrating funding on construction of essential unbuilt segments and by requiring states to decide by 1982 either to build uncompleted segments or to remove them from the system. Failure to enact these provisions may lead to the "ad infinitum" continuation of the Interstate program.
4. We are proposing to increase the share of federal transit aid allocated by formula and to reduce the amount allocated by executive branch discretion. This will improve funding predictability at the local level and will reduce the role of "grantsmanship" in transit projects. This should enhance local priority-setting and produce more cost-effective projects.

Conclude  
I-state Hwy

#### Water Policy

H<sub>2</sub>O Policy  
M.d. - Feb 6

1. The Water Policy Review chaired by Secretary Andrus will forward recommendations to you in mid-February.
2. The fiscal year 1979 budget includes no new construction starts and no new water project deletions, pending the outcome of the policy study, although some projects in study phases were deleted because they showed little promise in resulting in feasible projects.
3. We will have some new starts to propose at the conclusion of the review period.
4. The study focused on improving federal programs and will not propose any takeover of state water rights.

Locks and Dam 26 and Waterway User Fees

50% cap  
100% op

1. The Administration supports the Domenici proposal in the Senate which would phase in a comprehensive waterway user fee system to eventually recover 50% of the capital costs of facilities and 100% of operation and maintenance costs.
2. The House passed last year a 4-6 cents per gallon fuel tax which would recover only a small portion of federal waterway expenditures. This is not adequate, as the Administration has indicated. We hope for a conference committee compromise closer to the Senate than to the House version.
3. The Senate has not yet acted and the Administration is unwilling to specify a compromise position yet. If Chairman Johnson presses for a compromise position, he should be asked for a proposal to be considered by the Administration.
4. The Administration has threatened a veto of any bill authorizing a replacement facility at Locks and Dam 26 without the passage of an adequate user fee system.

Aviation Legislation

Av  
dereg

Chairman Johnson's committee has jurisdiction over the airline deregulation bill. The bill has not been given priority in the committee, and you may wish to urge Chairman Johnson to act as soon as possible so that a Senate/House Conference can be completed this year.

We support the reform bill sponsored by Aviation Subcommittee Chairman Glenn Anderson, with one exception: the automatic market entry program lasts only 5 years. We agree with Senator Cannon that it should be a permanent program. Otherwise, Anderson's bill is excellent.

Chairman Johnson will probably bring up the aircraft noise bill, which he and Rep. Anderson may wish to "trade" for the reform bill. We have opposed Titles I and II of the noise bill, recently reported by the Public Works and Transportation Committee. (Title I would establish a new spending program from the Airport Trust Fund Surplus for land acquisition around airports to abate noise. Title II increases the authorizations from the Airport Trust Fund for the next few years. OMB strongly opposes Titles I and II, and Secretary Adams so testified last year.)

Secretary Adams did support Title III which imposes a new 2% surcharge on all airline tickets. The revenues would help carriers replace their noisy fleets. The existing 8% ticket tax for the Airport Trust Fund would be reduced to 6%, so the tax actually paid would not change. Title III was reported last year by the House Public Works and Transportation Committee. It is now at the House Ways and Means Committee.

Chairman Johnson now opposes the 2% reduction in the Trust Fund tax to offset the 2% increase for aircraft noise. Hence, his position would result in a 2% increase in all ticket fares with no offset. Secretary Adams has opposed this.

We recommend that you:

1. Emphasize the priority of the airline deregulation bill.
2. Oppose the 2% tax increase if there is no corresponding offset.
3. Mention that we still oppose Titles I and II of the noise bill. We may, however, be willing to reach a compromise if we absolutely must to get a reform bill. (Caution: OMB strongly opposes Titles I and II because of their budget impact, and there may not be much bargaining room.)

#### Natural Resources Reorganization

Chairman Johnson will want to ask about the reorganization of natural resources. Options for you to choose from will not be ready until the end of February. The reorganization plans will bring rationality to the area of natural resources. There are no firm decisions as of yet; the reorganization staff has been in consultation with Chairman Johnson's committee staff and welcome all congressional input. You need to stress that everyone keep an open mind.

THE WHITE HOUSE

WASHINGTON

January 23, 1978

MEETING WITH CHAIRMAN HAROLD T. (BIZZ) JOHNSON (D-CALIF. 1)

Tuesday, January 24, 1978

11:00 A.M. (15 minutes)

The Oval Office

From: Frank Moore

I. PURPOSE

To discuss the legislative agenda and priorities in the House Public Works and Transportation Committee for the coming year.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Chairman Johnson's staff members have shared with us the points he would like to discuss with you. They center on the following:

1. His committee will have all of our legislation dealing with transportation and water resources.
2. Chairman Johnson's personal concerns are centered on the water policy of this Administration because of his chairmanship and the fact that he is from the west.

B. Participants: The President, Chairman Bizz Johnson, Frank Moore, and Jim Free.

C. Press Plan: White House photographer.

III. TALKING POINTS

Highway and Public Transportation Improvement Act of 1978

Chairman Johnson will want to discuss Secretary Adams' proposed program reforms. The major points are:

1. The proposed funding levels allow for steady, moderate



program growth in the 1979-1982 period. Total authorizations of \$45.4 billion are requested (\$32.1 billion for highways and \$13.3 billion for transit). Although it will be the inclination of committee members to propose increases in the authorizations, it is important for the committee to recognize the need for fiscal restraint.

2. We are proposing consolidation of 42 narrow categorical programs into 8 broader program categories. This consolidation will permit more flexible use of funds by states and localities. (The inclination of the committee will be to maintain the existing categories.)
3. We are proposing to accelerate construction of the Interstate Highway System by concentrating funding on construction of essential unbuilt segments and by requiring states to decide by 1982 either to build uncompleted segments or to remove them from the system. Failure to enact these provisions may lead to the "ad infinitum" continuation of the Interstate program.
4. We are proposing to increase the share of federal transit aid allocated by formula and to reduce the amount allocated by executive branch discretion. This will improve funding predictability at the local level and will reduce the role of "grantsmanship" in transit projects. This should enhance local priority-setting and produce more cost-effective projects.

#### Water Policy

1. The Water Policy Review chaired by Secretary Andrus will forward recommendations to you in mid-February.
2. The fiscal year 1979 budget includes no new construction starts and no new water project deletions, pending the outcome of the policy study, although some projects in study phases were deleted because they showed little promise in resulting in feasible projects.
3. We will have some new starts to propose at the conclusion of the review period.
4. The study focused on improving federal programs and will not propose any takeover of state water rights.

### Locks and Dam 26 and Waterway User Fees

1. The Administration supports the Domenici proposal in the Senate which would phase in a comprehensive waterway user fee system to eventually recover 50% of the capital costs of facilities and 100% of operation and maintenance costs.
2. The House passed last year a 4-6 cents per gallon fuel tax which would recover only a small portion of federal waterway expenditures. This is not adequate, as the Administration has indicated. We hope for a conference committee compromise closer to the Senate than to the House version.
3. The Senate has not yet acted and the Administration is unwilling to specify a compromise position yet. If Chairman Johnson presses for a compromise position, he should be asked for a proposal to be considered by the Administration.
4. The Administration has threatened a veto of any bill authorizing a replacement facility at Locks and Dam 26 without the passage of an adequate user fee system.

### Aviation Legislation

Chairman Johnson's committee has jurisdiction over the airline deregulation bill. The bill has not been given priority in the committee, and you may wish to urge Chairman Johnson to act as soon as possible so that a Senate/House Conference can be completed this year.

We support the reform bill sponsored by Aviation Subcommittee Chairman Glenn Anderson, with one exception: the automatic market entry program lasts only 5 years. We agree with Senator Cannon that it should be a permanent program. Otherwise, Anderson's bill is excellent.

Chairman Johnson will probably bring up the aircraft noise bill, which he and Rep. Anderson may wish to "trade" for the reform bill. We have opposed Titles I and II of the noise bill, recently reported by the Public Works and Transportation Committee. (Title I would establish a new spending program from the Airport Trust Fund Surplus for land acquisition around airports to abate noise. Title II increases the authorizations from the Airport Trust Fund for the next few years. OMB strongly opposes Titles I and II, and Secretary Adams so testified last year.)

Secretary Adams did support Title III which imposes a new 2% surcharge on all airline tickets. The revenues would help carriers replace their noisy fleets. The existing 8% ticket tax for the Airport Trust Fund would be reduced to 6%, so the tax actually paid would not change. Title III was reported last year by the House Public Works and Transportation Committee. It is now at the House Ways and Means Committee.

Chairman Johnson now opposes the 2% reduction in the Trust Fund tax to offset the 2% increase for aircraft noise. Hence, his position would result in a 2% increase in all ticket fares with no offset. Secretary Adams has opposed this.

We recommend that you:

1. Emphasize the priority of the airline deregulation bill.
2. Oppose the 2% tax increase if there is no corresponding offset.
3. Mention that we still oppose Titles I and II of the noise bill. We may, however, be willing to reach a compromise if we absolutely must to get a reform bill. (Caution: OMB strongly opposes Titles I and II because of their budget impact, and there may not be much bargaining room.)

#### Natural Resources Reorganization

Chairman Johnson will want to ask about the reorganization of natural resources. Options for you to choose from will not be ready until the end of February. The reorganization plans will bring rationality to the area of natural resources. There are no firm decisions as of yet; the reorganization staff has been in consultation with Chairman Johnson's committee staff and welcome all congressional input. You need to stress that everyone keep an open mind.

THE WHITE HOUSE  
WASHINGTON

January 24, 1978

BRIEFING ON PANAMA CANAL TREATIES FOR OPINION LEADERS  
FROM KANSAS, IOWA, AND MICHIGAN

---

Tuesday, January 24, 1978  
3:45 P.M. (15 minutes)  
The State Dining Room

From: Hamilton Jordan *H.J.*

I. PURPOSE

A continuation of the effort begun last August by you and your Administration to inform the American people of the facts and the meaning of the Treaties.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: You began these briefings in August of 1977, and to date, have conducted this briefing for leading citizens from 25 different states.
- B. Participants: Citizens from Iowa, Michigan, and Kansas (list attached). As in previous state briefings, the Senators have helped us in compiling the invitation list (with the exception today of Dole of Kansas and Griffin of Michigan).
- C. Press Plan: No press coverage.

III. TALKING POINTS

Your regular presentation on the Treaties is appropriate since this briefing is structured exactly as have been the previous state briefings.

attachments:  
agenda  
list of attendees

## AGENDA

Tuesday, January 24, 1978

2:00 P.M.	Welcome	Ambler Moss Deputy Assistant Secretary of State
2:05 P.M.	The Treaties in the Context of American Foreign Policy	Dr. Zbigniew Brzezinski Assistant to the President for National Security Affairs
2:30 P.M.	Description of the Treaties	Ambassador Sol Linowitz
3:00 P.M.	Break	
3:20 P.M.	National Security View	Graham Claytor Secretary of the Navy  General George Brown Chairman of the Joint Chiefs of Staff
3:45 P.M.	Remarks	The President

INVITEES FROM IOWA

Robert Lytle, Departmental Commander, Veterans of Foreign Wars  
(Fort Dodge)

Leo Maynard, Departmental Commander, Iowa American Legion (DeWitt)

J. S. Craiger, Jr., President, Iowa Manufacturers Association (Des  
Moines)

Dave Shay, WMT-TV (Cedar Rapids)

Jack Thompson, WOC-TV (Davenport)

Bob Wilbanks, WHO-TV (Des Moines)

Twila Young, WOI-TV (Ames)

Charles Frazier, Director of the Legislative Staff, National Farmers  
Organization

Thurman Gaskill, President, Iowa Corn Growers Association (Boone)

Ed Schettler, President, Iowa Soybean Association (Hudson)

Gene Thorne, Editor, Waterloo Courier (Waterloo)

Forrest Kilmer, Editor, Quad City Times (Davenport)

Erwin Sias, Editor, Sioux City Journal (Sioux City)

Art Davis, attorney, Vice President, Des Moines Chamber of Commerce  
(Des Moines)

Dick Levitt, President, Dial Finance (Des Moines)

Bill Knapp, President, Iowa Realty Company (Des Moines)

Gilbert Cranberg, Editor, Editorial Pages, Des Moines Register (Des  
Moines)

David Archie (Des Moines)

Al J. Shafer, Publisher, Eldora, and Member, Governing Board, Iowa  
Press Association

Invitees from Iowa (continued)

Robert Parks, President, Iowa State University (Ames)

Pat Marshall (Cedar Rapids)

Carl Hamilton (Ames)

Eldon Herrig (Dubuque)

Robert Dodsley

Congressman Mike Blouin

Bruce van Voorst, office of Senator Clark

INVITEES FROM MICHIGAN

William Marshall, President, AFL-CIO

Mayor Coleman Young (Detroit)

William McLaughlin, Chairman, Michigan Republicans

Erma Henderson, President, Detroit City Council

Gumecindo Salas, Treasurer, State Board of Education

Dr. Demetrios Politis, American Hellenic Congress

Roman Gribbs, attorney

Jim Osborne, Chairman, Michigan Broadcasters; Station Manager, WXYZ-TV

J. P. McCarthy, Commentator, WJR Radio

Jackie Gordon, Detroit TV Personality

Ray McDonald (Grosse Point)

Mrs. Martha Griffiths (Romeo)

Irving Bluestone, Vice President, United Auto Workers (Detroit)

Stanley Winkelman



## INVITEES FROM KANSAS

Maxine Hansen, President, League of Women Voters (Topeka)

Doyle Rahjes, Kansas Farm Bureau

Wendell Ebright, President, Kansas Wheat Growers Association  
(Hutchinson)

Charles Ross, General Manager, Kansas Electric Cooperatives, Inc.  
(Topeka)

Floyd Fairleigh, President, Kansas Livestock Association (Topeka)

Ralph McGee, Executive Secretary, Kansas AFL-CIO (Topeka)

John Overman, President, Kansas AFL-CIO (Wichita)

Robert Gordon, President, Kansas Association of Commerce and Industry  
(Salina)

Elwood Marshall, President, Kansas Bankers Association (Eureka)

Roy H. McGregor, Group Vice President, Beech Aircraft Corporation  
(Wichita)

Shirley Wall, representing William E. Wall, President, Kansas Power  
and Light (Topeka)

David Seaton, Seaton International (Neodesha)

Richard "Rick" Harman, Myron Green Cafeteria Company (Kansas City,  
Missouri)

Peter Macdonald, Publisher, Harris Enterprises, Inc. (Hutchinson)

Clyde Reed, Editor, Parsons Sun (Parsons)

Dolph Simons, Jr., Editor, Lawrence Journal-World (Lawrence)

Rick Dalton, Executive Editor, Topeka Capital (Topeka)

Glenn Williams, Editor, Salina Journal (Salina)

Eugene R. Lambert, President, Wichita Eagle-Beacon

Invitees from Kansas (continued)

Shirley Wassenburg (Marysville)

John Bottenberg (Holton)

Senator Jack Steineger, Kansas State Senator and Minority Leader of the  
Kansas State Senate (Topeka)

Jim Slattery (Topeka)

Dr. Jerry Waters, aide to Senator Pearson

Additional Invitees

Gordon Campbell, President, Florida Association of Bank Holding  
Companies (Tampa, Florida)

Bill Meade, Chairman of the Board, Campbell-Taggart (Dallas, Texas)

THE WHITE HOUSE  
WASHINGTON

*10th-62:12*

*done*

THE WHITE HOUSE  
WASHINGTON

TUESDAY - JANUARY 24, 1978  
7:15 a.m.

MR. PRESIDENT

SENATOR PELL CALLED YESTERDAY  
AT 3:00 P.M.

PLEASE NOTE ATTACHED INFORMATION  
FROM FRANK MOORE'S OFFICE.

T.K.

Nell:

*Jan. Inc.*  
*\$12 → 25,000*  
*\$250*

The President should return  
Senator Pell's call. He wants  
to urge the President to adopt  
as a alternative to a tuition tax  
credit the expansion of the basic  
formula grant program which  
Pell authored and which is part  
of existing law.

Even though Secretary Califano  
appears to encourage this approach,  
the President should not make  
any commitments at this time.

Patti DeSouza *pd*  
Frank Moore's office  
1/23

THE WHITE HOUSE  
WASHINGTON

January 24, 1978

Jody Powell

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

SAVINGS BOND CAMPAIGN

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

*return orig to Today*

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
	/	POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

January 20, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Jody Powell 

RE : Savings Bond Campaign

As you may recall, I have been selected as the White House savings bond campaign chairman due to the tremendous leadership abilities I displayed last year in this area.

Attached is a proposed memorandum for your signature. This memorandum would be sent to White House personnel later this winter. The purpose of doing it now is for publication in the government-wide savings bond brochures.

You may well want to add a personal note as you did last year. A copy of last year's message is attached for your reference.

Attachments

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR WHITE HOUSE OFFICIAL PERSONNEL

As you know, in 1977 we set a high of 92% for White House purchases in the Federal Savings Bond Campaign.

I have pledged my full support to the 1978 Savings Bond Campaign, and I hope you will do so as well.

I urge you to enthusiastically support this campaign. Our leadership and example will greatly assist in meeting the very worthy goals of this program.

*Jimmy Carter*

*p.s. Let's work together  
on This -*

*J*



Copy

THE WHITE HOUSE  
WASHINGTON

April 15, 1977

MEMORANDUM FOR WHITE HOUSE OFFICE PERSONNEL

As you know, I have pledged my support to the 1977 Federal Savings Bond Campaign.

I would like to urge your enthusiastic support of this campaign. Our leadership and example will assist greatly in the achievement of the goals of this program.

Jimmy Carter

p.s. I would like for  
everyone to participate.

Thanks -

J.

RECEIVED  
CENTRAL FILES

THE WHITE HOUSE  
WASHINGTON  
January 24, 1978

Stu Eizenstat

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Frank Moore  
Jim McIntyre  
Charles Schultze

RE: WAGES IN THE WELFARE REFORM  
BILL

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
/		EIZENSTAT
		JORDAN
		LIPSHUTZ
/		MOORE
		POWELL
		WATSON
/		McINTYRE
/		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

UNCLASSIFIED

0100  
100 WTB  
DE WTB 00944 023024Z  
O 230310Z JAN 78  
FM THE SITUATION ROOM  
TO TIM KRAFT ABOARD AFB-1  
ZEM  
UNCLAS WHG0173

1/23/78  
5040 PM

MEMO TO TIM KRAFT

FROM: RICK HUTCHESON

AS SECRETARY MARSHALL MEETS WITH HAWKINS AND PERKINS TOMORROW MORNING AT 8:15 AM, THE PRESIDENT NEEDS TO READ THIS MEMO ON THE PLANE.

AFTER HE MAKES HIS DECISION, PLEASE PHONE THE RESULT TO STU EISENSTAT THIS EVENING. THANKS.

ATTACHMENT:

JANUARY 23, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EISENSTAT

SUBJECT:

WAGES IN THE WELFARE REFORM  
BILL

THE GORMAN WELFARE REFORM COMMITTEE MEETS TOMORROW MORNING TO HOLD ITS CONCEPTUAL MARK-UP ON THE JOBS PORTION OF THE WELFARE REFORM BILL. REPRESENTATIVE HAWKINS HAS BEEN EXPLORING WITH THE LABOR DEPARTMENT THE POSSIBILITY OF A COMPROMISE WHICH WOULD ACCEPT OUR VIEW THAT THE JOBS MUST PAY AT OR NEAR THE MINIMUM WAGE BUT WOULD PROVIDE GREATER FLEXIBILITY IN SETTING THE WAGE IN HIGH WAGE AREAS.

THE ADMINISTRATION'S BILL PROVIDES FOR MINIMUM WAGE JOBS WITH THESE TWO VARIATIONS:

1. THE WAGE LEVEL MUST BE INCREASED BY UP TO 10 PERCENT IN THOSE STATES WHICH SUPPLEMENT THE CASH ASSISTANCE PAYMENTS AND

2. UP TO 15 PERCENT OF THE WORKFORCE CAN RECEIVE UP TO 25 PERCENT ABOVE THE BASE PAY LEVEL.

END OF PAGE 01

UNCLASSIFIED

UNCLASSIFIED

WHEN THESE LEVELS ARE PROJECTED ON A NATIONAL BASIS IT TURNS OUT THAT THE AVERAGE WAGE UNDER OUR PLAN IS ABOUT 110 PERCENT OF THE MINIMUM WAGE (\$9,700 PER YEAR) AND THE MAXIMUM WAGE IS 135 PERCENT OF THE MINIMUM WAGE (\$9,600 PER YEAR).

HAWKINS WOULD LIKE TO PROVIDE GREATER WAGE FLEXIBILITY REGIONALLY AND WITHIN STATES. HE WOULD ACCEPT KEEPING THE NATIONAL AVERAGE WAGE WHERE WE HAVE IT, BUT, RATHER THAN IMPOSE THAT NUMBER ON EACH STATE, HE WOULD PERMIT A HIGHER AVERAGE IN HIGH WAGE STATES TO BE OFFSET BY LOWER AVERAGES IN LOW WAGE STATES. SIMILARLY, THE STATE AVERAGE COULD BE DISTRIBUTED INTRA-STATE PERMITTING FIRM SPONSORS IN HIGH WAGE AREAS TO PAY MORE IF THERE WAS AN OFFSETTING LOWER WAGE AREA WHICH WOULD PAY LESS.

HAWKINS WOULD ALSO LIKE TO PERMIT GREATER FLEXIBILITY IN THE MAXIMUM WAGE. HE WOULD LIKE THE MAXIMUM WAGE TO VARY WITH LOWER WAGE STATES BEING BELOW OUR \$9,600 MAXIMUM AND HIGHER WAGE AREAS BEING ABOVE THAT AMOUNT.

THE LABOR DEPARTMENT HAS DEVISED A PLAN WHICH INCORPORATES HAWKINS' CONCERNS WHILE RETAINING OUR INSISTENCE THAT THE NATIONAL AVERAGE WAGE MUST REMAIN RELATIVELY LOW TO INSURE THAT THE JOBS ARE TARGETED ON THOSE MOST IN NEED AND TO AVOID DISRUPTING PRIVATE EMPLOYMENT. THEY BELIEVE IT IS IMPORTANT TO REACH AN AGREEMENT ON THIS ISSUE. IT APPEARS THAT WE MIGHT BE ABLE TO PUSH OUR ORIGINAL PLAN THROUGH THE SUBCOMMITTEE RELYING ON REPUBLICAN SUPPORT, BUT SUCH AN ALLIANCE MIGHT BE DESTRUCTIVE OF OUR ULTIMATE HOPES FOR WELFARE AND EMPLOYMENT LEGISLATION THIS YEAR. IT WOULD PIT US AND THE COMMITTEE CONSERVATIVES WHO DO NOT WANT WELFARE REFORM ALONG THE LINES WE HAVE PROPOSED AGAINST HAWKINS, PERKINS AND CORNANO WHO ARE GENERALLY SUPPORTIVE OF OUR POSITION AND MIGHT WELL DAMPEN THEIR ENTHUSIASM FOR OUR ENTIRE PROPOSAL.

CHARLIE SCHULTZ, ONE OF US AND I BELIEVE WE CAN ACCOMMODATE SOME OF HAWKINS' DESIRES WITHOUT INCREASING THE COST OF THE PLAN OR THE NUMBER OF JOBS REQUIRED. WE COULD ACCEPT PERMITTING VARIATIONS AROUND THE NATIONAL AVERAGE FROM STATE TO STATE AND AMONG COMMUNITIES WITHIN STATES BASED ON THEIR GENERAL WAGE STRUCTURES -- AS LONG AS THAT AVERAGE REMAINS THE SAME AS IN OUR BILL. WE WOULD OPPOSE LETTING THE MAXIMUM WAGE GO ABOVE THE LEVEL IN OUR BILL OF 135 PERCENT OF THE MINIMUM WAGE (\$9,600). SECRETARY CALIFANO AND SECRETARY MARSHALL FAVOR THIS COMPROMISE POSITION.

IN MANY WAYS THIS APPROACH IS BETTER THAN OUR ORIGINAL BILL BECAUSE IT PROVIDES FOR REGIONAL VARIATIONS AND VARIATIONS

END OF PAGE 02

UNCLASSIFIED

UNCLASSIFIED

WITHIN STATES. IT ALSO ELIMINATES A FEATURE OF OUR BILL WHICH WOULD HAVE MANDATED WAGES IN SOME RURAL AREAS HIGHER THAN THOSE THEY PAY TO SOME OF THEIR CURRENT UNSUBSIDIZED WORKERS.

IF YOU APPROVE OF SUCH A COMPROMISE SECRETARY MARSHALL WILL MEET WITH HAWKINS AND PERKINS TOMORROW MORNING TO TRY TO OBTAIN AN AGREEMENT THAT WILL STICK. IF THEY ARE UNABLE TO AGREE TO OUR COMPROMISE WE WOULD THEN SIMPLY HAVE THE LABOR DEPARTMENT REITERATE THE WAGE PROVISIONS OF THE ADMINISTRATION BILL AT THE HEARING TOMORROW.

DECISION

----- ATTEMPT TO REACH AGREEMENT WITH PERKINS, HAWKINS AND CORMAN AS OUTLINED ABOVE. (HEW, DOL, DPS, CEA, OMB AND FRANK MOORE RECOMMEND)

----- NO CHANGE IN ADMINISTRATION POSITION.

END ATTACHMENT

0827  
#0944

JC

UNCLASSIFIED

NNNN

ID 780326

T H E   W H I T E   H O U S E

WASHINGTON

DATE: JAN 23 78

FOR ACTION:

INFO ONLY:   THE VICE PRESIDENT

FRANK MOORE (LES FRANCIS)

JACK WATSON

FROM: RICK HUTCHESON   WHITE HOUSE STAFF SECRETARY   PHONE 456-7052

SUBJECT   EIZENSTAT MEMO DATED 1/23/78 RE WAGES IN THE WELFARE REFORM BILL

RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY

BY

JAN 23 78

ACTION REQUESTED:   THIS MEMO IS FORWARDED TO YOU FOR YOUR INFORMATION

STAFF RESPONSE: ( ) I CONCUR.   ( ) NO COMMENT.   ( ) HOLD; DO NOT FORWARD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE  
WASHINGTON

1/23/78  
5:40 PM

MEMO TO TIM KRAFT

FROM: RICK HUTCHESON

As Secretary Marshall meets with Hawkins and Perkins tomorrow morning at 8:15 AM, the President needs to read this memo on the plane.

After he makes his decision, please phone the result to Stu Eizenstat this evening. Thanks.



THE WHITE HOUSE

WASHINGTON

January 23, 1978

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
SUBJECT: Wages in the Welfare Reform Bill

The Corman welfare reform committee meets tomorrow morning to hold its conceptual mark-up on the jobs portion of the welfare reform bill. Representative Hawkins has been exploring with the Labor Department the possibility of a compromise which would accept our view that the jobs must pay at or near the minimum wage but would provide greater flexibility in setting the wage in high wage areas.

The Administration's bill provides for minimum wage jobs with these two variations:

1. the wage level must be increased by up to 10% in those states which supplement the cash assistance payment; and;

2. up to 15% of the workforce can receive up to 25% above the base pay level.

When these levels are projected on a national basis it turns out that the average wage under our plan is about 110% of the minimum wage (\$7,700 per year) and the maximum wage is 135% of the minimum wage (\$9,600 per year).

Hawkins would like to provide greater wage flexibility regionally and within states. He would accept keeping the national average wage where we have it, but, rather than impose that number on each state, he would permit a higher average in high wage states to be offset by lower averages in low wage states. Similarly, the state average could be distributed intra-state permitting prime sponsors in high wage areas to pay more if there was an offsetting lower wage area which would pay less.

Hawkins would also like to permit greater flexibility in the maximum wage. He would like the maximum wage to vary with lower wage states being below our \$9,600 maximum and higher wage areas being above that amount.

The Labor Department has devised a plan which incorporates Hawkins' concerns while retaining our insistence that the national average wage must remain relatively low to insure that the jobs are targeted on those most in need and to avoid disrupting private employment. They believe it is important to reach an agreement on this issue. It appears that we might be able to push our original plan through the subcommittee relying on Republican support, but such an alliance might be destructive of our ultimate hopes for welfare and employment legislation this year. It would pit us and the committee conservatives who do not want welfare reform along the lines we have proposed against Hawkins, Perkins and Corman, who are generally supportive of our position and might well dampen their enthusiasm for our entire proposal.

Charlie Schultze, OMB and I believe we can accomodate some of Hawkins' desires without increasing the cost of the plan or the number of jobs required. We could accept permitting variations around the national average from state to state and among communities within states based on their general wage structures -- as long as that average remains the same as in our bill. We would oppose letting the maximum wage go above the level in our bill of 135% of the minimum wage (\$9,600). Secretary Califano and Secretary Marshall favor this compromise position.

In many ways this approach is better than our original bill because it provides for regional variations and variations within states. It also eliminates a feature of our bill which would have mandated wages in some rural areas higher than those they pay to some of their current unsubsidized workers.

If you approve of such a compromise Secretary Marshall will meet with Hawkins and Perkins tomorrow morning to try to obtain an agreement that will stick. If they are unable to agree to our compromise we would then simply have the Labor Department reiterate the wage provisions of the Administration bill at the hearing tomorrow.

#### DECISION

\_\_\_\_\_ Attempt to reach agreement with Perkins, Hawkins and Corman as outlined above. (HEW, DOL, DPS, CEA, OMB and Frank Moore recommend)

\_\_\_\_\_ No change in Administration position.

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

24 January 1978

TO: THE PRESIDENT  
FROM: RICK HUTCHESON *R.H.*  
SUBJECT: Memos Not Submitted

1. PETER BOURNE MEMO. He hopes that the World Hunger Working Group, which you asked him to chair, will have recommendations ready for you in two weeks. The Group has solicited input from over 150 private organizations, and involves 26 different agencies. Peter has been working with Henry Owen to try and resolve a number of complicated jurisdictional and organizational questions. ✓
2. PAUL SULLIVAN (DNC) sent you a copy of a November, 1977 nationwide poll which shows Carter beating Ford by 59-41% in a hypothetical rematch. Furthermore, in response to the question: "If it were up to you, would you rather have someone else besides Jimmy Carter as President," 68% said NO and 30% said YES in November of 1977. (Telephone poll, 450 sample, de Grazia/Wallace Associates.) ✓

ID 780309

T H E   W H I T E   H O U S E

WASHINGTON

*Summary*

DATE: JAN 23 78

FOR ACTION:

INFO ONLY:   THE VICE PRESIDENT

STU EIZENSTAT

ZBIG BRZEZINSKI

FROM: RICK HUTCHESON   WHITE HOUSE STAFF SECRETARY   PHONE 456-7052

SUBJECT   BOURNE MEMO DATED 1/20/78 RE WORLD HUNGER WORKING GROUP

RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY

BY

JAN 23 78

ACTION REQUESTED:   THIS MEMO IS FORWARDED TO YOU FOR YOUR INFORMATION

STAFF RESPONSE: ( ) I CONCUR.   ( ) NO COMMENT.   ( ) HOLD; DO NOT FORWARD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
/	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
/	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

(for summary)

ACTION	FYI	
	/	MONDALE
		COSTANZA
	/	EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
/	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE

WASHINGTON

January 20, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: PETER BOURNE *P.B.*  
SUBJECT: WORLD HUNGER WORKING GROUP

Several weeks ago you asked me to chair a World Hunger Working Group made up of all the affected agencies to prepare for you recommendations on what to do about World Hunger. The group has met several times, and each agency was asked to prepare and submit to me a set of recommendations. We have also solicited input from over 150 private organizations, including business, labor, foundations and academia, as well as the Congress.

The recommendations we are preparing for you are for the most part complex and have required substantially more staff work to bring them to a point appropriate for your consideration than we had originally anticipated. Additionally, the proposal of several substantive recommendations has surfaced complicated and hotly contested organizational, and jurisdictional concerns between the departments and agencies (26 agencies are involved). We have worked closely with Henry Owen to separate out the broad organizational questions relating to development assistance from those specifically tied to the hunger issue.

We hope now to have our recommendations ready for you in two weeks.

In the meantime we have worked very closely with Jim Fallows to shape your overall public image on this issue, preparing the statement from you on World Hunger that appeared in the Christian Science Monitor, and your speech in India as it related to World Hunger. We have also participated in the group working with Shirley MacLaine and Miss Lillian to prepare a documentary on this issue.

PGB:ss

THE WHITE HOUSE  
WASHINGTON

January 24, 1978

Frank Moore

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

WEEKLY LEGISLATIVE REPORT  
CALL TO SEN. STENNIS

ADMINISTRATIVELY  
CONFIDENTIAL

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION  
FYI

*return orig to me*

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
/	MOORE
	POWELL
	WATSON
	McINTYRE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

January 23, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

THE PRESIDENT

FROM:

FRANK MOORE

SUBJECT:

Weekly Legislative Report

1. ENERGY

Natural Gas: Senator Jackson has met with two groups of Republican conferees to try to fashion an acceptable compromise, but we have no firm date for the next formal meeting of the gas conference.

-- Jackson is scheduled to go on a trip to China February 15.

Energy Taxes: There were earlier Joint Committee on Taxation staff reports that when the tax conference resumes in earnest after resolution of the natural gas issues, quick agreement could be reached. In his Thursday meeting with you, Long refused to confirm those reports. He gave no indication of necessary elements in a compromise bill except to suggest a \$100 energy investment credit for individuals which he estimates would cost between 5 and 7 billion dollars. If we find this approach unacceptable, we must quickly and delicately but firmly discourage him. Long obviously believes the bill lacks adequate -- but as yet undefined -- production incentives. He will be looking to producers for guidance but will not push for as much as they will want. Aside from what he believes the industry needs, Long wants the \$.50 per mcf tax credit for geopressurized methane. This is at least part of his personal price for the bill.

2. FOREIGN POLICY ISSUES

Panama: The Senate Foreign Relations Committee will attempt to mark up the Treaties by January 27. Senator Byrd wants them on the floor by February 6 at the latest. Senator Baker is also anxious to move the Treaties along quickly.

-- Warren Christopher is coordinating our Foreign Relations Committee efforts. The goal is to have the Treaties reported with the October 14 statement attached as an understanding or reservation. Then Senators will have a chance to upgrade it to a protocol or condition on the floor. Senator Byrd has asked for a definitive statement of Panama's position on the form that amendments might take. State is pursuing that elusive goal through diplomatic channels.

-- We are working with Senator Byrd on important questions of Senate procedure. I will have a more detailed memorandum to you Tuesday on the status of these questions and others that involve the Treaties.

-- Cautious optimism is in order. However, we must coordinate closely with the Majority Leader as the battle begins. It will take all of his skills and judgment to defeat amendments beyond those incorporating the October 14 statement.

Middle East: State has briefed the leadership and other key Members following the recall of the Egyptian delegation from the Jerusalem talks. There seems to be little inclination by Members to assess blame on either Egypt or Israel, and no inclination to be critical of the Administration. Ed Derwinski (second ranking minority on the House International Relations Committee), for example, said the issue is far too delicate and too important for a partisan statement to be made. Several Members support an active role by Secretary Vance in staying with the negotiations if it seems useful. Secretary Vance is scheduled to brief the House and Senate foreign relations committees about his trip on Tuesday and Wednesday.

Witteveen Facility: This morning the House Banking Committee agreed by a vote of 27-9 to report the bill to the House. The Committee narrowly rejected (17-19) a human rights amendment which the Administration opposed. The amendment, co-authored by Reps. Parren Mitchell, Cavanaugh, Steers, and non-committee member Tom Harkin, was supported by Republicans (7-6), but opposed by the Democrats (13-10). Mitchell has served notice that we can expect a floor amendment dealing with human rights.

-- Rep. Moorhead, third ranking Democrat on the Committee and chief spokesman for the Administration's human rights position, and Paul Tsongas, who also supported us, have warned that we face a tough prospect of holding off a floor amendment. The Committee is aiming for a rule next Tuesday and hopes to have the bill on the floor late next week. We will be working with Treasury on strategy for this vote.

Foreign Assistance: Chairman Sparkman has decided to assume chairmanship of the Humphrey Subcommittee. This has the advantage of adding prestige to the Subcommittee while at the same time preventing rivalry among other contenders. Senator Clark is happy with this arrangement and has agreed to be very active in his support of foreign aid legislation.

-- Our early and concerted effort to defend the foreign aid request not only in the foreign relations and appropriations subcommittees, but also with the leadership is important. We have every reason to expect that the restrictive provisions which were offered last session will be offered once more, particularly in Long's House Appropriations Subcommittee and on the House floor.

-- AID has begun a series of informal briefings of the Long Subcommittee staff members; formal hearings on the request in this subcommittee will begin on March 8. Staff of the foreign relations committees are also being briefed.

Nuclear Non-Proliferation: Senator Glenn, Percy and possibly Church may be talking to Senator Byrd this week about bringing up the bill as soon as possible. State has prepared comments on a number of amendments submitted by Senator McClure and is in the process of trying to work out compromises among the staff of the committees involved (Foreign Relations, Environment and Public Works, and Governmental Affairs.)

Ribicoff Anti-Terrorism Bill: The Governmental Affairs Committee will begin hearings on the bill today with Secretary Vance as lead-off witness. Secretary Adams is scheduled to testify on Wednesday.

-- Key provisions of the bill call for public identification of countries which aid or abet terrorist actions or which fail to maintain adequate security standards at airports and for the imposition of automatic sanctions. In addition, the bill proposes to reorganize the federal government to strengthen programs for combatting international and domestic terrorism. The Administration is opposed both to automatic sanctions and reorganization. State discussions with Senate staffers indicate, however, that they are receptive to our criticism and disposed to amend troublesome areas of the bill.

### 3. OFFICE OF CONSUMER REPRESENTATION

Esther Peterson and I have met and outlined a strategy for House consideration of the bill to create an Office of Consumer Representation. Elements of that strategy include the following:

1. We will urge the Speaker to have the bill brought up early in the session, prior to the Lincoln's birthday recess. Our preference would be the week of February 6.
2. Bill Cable and I will set up a meeting with the Speaker, his staff, Jim Wright, John Brademas, and Mrs. Peterson to establish exact timing, tactics, etc. The first issue to be decided is whether or not the bill should be referred back to Government Operations for further consideration. The Administration's position on "re-referral" is a strong "NO." I have informed Chairman Brooks' staff of our position.
3. We will ask the Speaker to set up a special task force to handle the issue, similar to Energy and Social Security. The first assignment for the task force should be the compilation of a Member-to-Member vote count.
4. Monitoring of various vote counts will be coordinated by Ed Cohen in Mrs. Peterson's office, with assistance from Les Francis of my staff. We will keep the count(s) on our computer file and will update the information regularly.
5. Mrs. Peterson and I will send letters (one to Republicans and one to Democrats) to all House Members stressing the importance of the issue to the Administration and highlighting key provisions of the bill.
6. Bill Cable, working with Mrs. Peterson, will coordinate the efforts of those staff persons representing the Administration on the Hill. In addition to White House CL staff, this will include members of Mrs. Peterson's staff -- Ed Cohen and Mike Kerr, Lee Richardson from HEW's Office of Consumer Education, and various department and agency CL officers.
7. In any meetings you have with individual Members and groups of Members in the next two weeks, when it is appropriate, you should reiterate your support for the bill and urge Member support.
8. Throughout the time prior to the vote on the House floor, overall strategy will be developed by the legislative task force which has been established for this issue. In addition to the individuals who have been working on the task force to date, added will be Mike Kerr (to concentrate on labor allies), and someone from the press office.
9. Bill Cable, Mrs. Peterson, Les Francis, and I will be working together to decide which Members will be called personally, and when the calls should be made.

#### 4. ECONOMIC POLICY

Taxes: Treasury is consulting with individual Members as well as briefing House and Senate staffs and outside interest groups on the tax package.

CETA: Both House and Senate Subcommittees plan to begin CETA hearings with Secretary Marshall in late February. The Administration's proposal will be introduced in the next two weeks probably with bi-partisan support.

Humphrey/Hawkins: The House leadership has put the bill on a fast track with the hope that it can be on the House floor by February 28.

#### 5. SUPPLEMENTAL APPROPRIATIONS/B-1 BOMBER

-- Secretary Brown, General Jones, Dr. Perry and other representatives from DOD met with Senator Stennis and his staff this morning to go over the issues involved in the B-1 bomber vote and to arrange for an exchange of letters between the Senator and DOD for use during the floor debate. The Senator mentioned that he would ask the Majority Leader to schedule the vote for Tuesday, January 31 or Monday, January 30. We recommend that you give Senator Stennis an encouraging phone call. *see me*

-- As we feared, postponement of the vote until this session has allowed Rockwell and its subcontractors additional time to pressure Senators and we have lost some ground. The present count is in our favor, but we must try to get the following Senators' support

##### Questionable Supporters - 10

Burdick  
Eastland  
Haskell  
Heinz  
Inouye  
Matsunaga  
Melcher  
Nunn  
Pearson  
Roth

##### Possible Converts - 13

Bellmon  
Harry Byrd  
Chafee  
Chiles  
DeConcini  
Gravel  
Johnston  
McIntyre  
Morgan  
Sasser  
Sparkman  
Stafford  
Stone

-- If we are successful in the Senate, we face an even more difficult hurdle in the House. We have the House leadership's commitment to work hard on the vote, but subcontractor lobbying will hurt us. DOD has prepared a targeted list of 59 Members whom we will contact this week.

#### 6. WELFARE REFORM

-- Conceptual mark up on the jobs portion in Corman's Subcommittee is set for Tuesday. On the wage issue (whether it would be the minimum wage or the "prevailing wage" as favored by the AFL-CIO and some of the more liberal Members), the Subcommittee is looking for a compromise not using the actual wording of minimum wage. You have a detailed memo from Stu.

-- This mark up is expected to last about a week. Corman hopes to have legislative language ready for a line by line mark up beginning the first of February.

## 7. CRIMINAL CODE

-- Senators Helms and Allen have spearheaded an effort to prevent speedy passage of the criminal code amendments in the Senate. The Majority Leader had anticipated quick action, but the final vote is not likely now until Wednesday. We originally feared this bill would be used to delay consideration of the Treaties. However, both Helms and Allen have now agreed to restrict their delaying tactics.

-- Senator Cranston is concerned about provisions restricting a newsman's privilege of protecting his sources.

## 8. OUTER CONTINENTAL SHELF

-- We got a rule today on the bill by an 8 to 6 vote. Rep. Sisk was with us.

-- Floor action is scheduled to begin on Wednesday with an early vote anticipated on the Breaux (La.) substitute which we will oppose. The substitute deletes virtually every position the Administration has fought for and will be the major test on the floor. If we defeat it, Breaux and minority Members will come back with numerous amendments designed to gut the bill. We will also be working for adoption of several strengthening amendments.

## 9. LABOR LAW REFORM

-- Mark up by the full Senate Committee is scheduled for Wednesday and there will be a number of minor amendments proposed. Because of efforts already taken to "balance" the bill, DOL does not expect adoption of significantly weakening amendments.

## 10. WATERWAY USERS FEES

-- Senator Long discussed this topic with you in his meeting last week. The bill was stalled at the end of last session in the Senate. We want a greater recovery level than that reflected in the bill sent over from the House.

-- The Administration supported the strongest possible alternative in the House. Contrary to what Chairman Long suggested, however, the Administration never precluded its option of seeking an even stronger bill in the Senate. Action on this matter is not likely until after the Treaties.

## 11. FARM STRIKE

-- Reaction on the Hill has varied, with some Members in total support of the strikers and others, like Talmadge and Bellmon, standing firm on the 1977 bill. USDA advises that Senator Long intends to introduce a 100 percent of parity bill. Senator Talmadge will conduct over-all farm review hearings on Thursday.

## 12. ALASKA LAND

-- The legislation is shaping up well in the House Subcommittee. We won an early test vote when Lloyd Meed's substitute was voted down by 10-7. Mo Udall is confident he can recoup any serious subcommittee losses when the bill gets to full Committee. Your help with Members last week made possible our favorable progress to date.

FLOOR ACTIVITIES, WEEK OF JANUARY 23

House

Monday -- 4 suspensions (all non-controversial):

- 1) To Authorize a Statue of George Marshall for Placement in the State Department (passed 351-52).
- 2) Federal Employee Retirement Annuity Payments to Former Spouses (passed 369-7).
- 3) Civil Service Retirement Credit for Japanese-Americans Interned During World War II (passed 366-12).
- 4) Fishing Vessel Loan Guarantees (passed 309-68).

Tuesday -- 4 suspensions (all non-controversial):

- 1) Tax Court Judges Retirement Benefits.
- 2) Exclusion from Tax of Certain Income of Non-profit Telephone Companies.
- 3) Administrative Conference Authorization .
- 4) Financial Assistance for Exposure to Uranium Mill Tailings.

Wednesday -- Outer Continental Shelf.

- Con Rail Medical and Insurance Premiums. The Administration does not oppose the bill, which would require Con Rail to make premium payments for medical and life insurance policies of certain individuals.
- Office of Rail Public Counsel Authorizations. The Administration does not oppose the bill to establish the Office within the Interstate Commerce Commission. However, the Office would become part of the new consumer agency when it is established.

Thursday -- Indian Claim: Black Hills Portion of Great Sioux Reservation. The bill would eliminate the application of the defense of res judicata to permit the Court of Claims to once again review the claims of certain Sioux Tribes on the transfer of the Black Hills of South Dakota to the U.S. in 1877. The Interior Department, acting as trustee for American Indians, testified in support of the bill. The Justice Department, representing the Administration, recommends that action on this bill be deferred until the Administration can complete a general review of ancient Indian claims.

- Civil Aircraft Capacity. The Administration supports the bill which authorizes the Secretary of the Air Force to contract with air carriers to acquire civil aircraft to provide greater cargo capacity for national defense in the event of war or national emergency.

Senate

-- The Senate will continue action on the Criminal Code bill and possibly take up the Redwoods bill on Wednesday or Thursday.

Int ASSO MACHINISTS &  
AEROSPACE WORKERS  
PRES BILL WINPISINGER

WELCOME  
LABOR LAW REFORM

ENERGY

PANAMA

URBAN

WELFARE

NAT HEALTH

MID EAST

SALT

1976/78 ELECTIONS

THE PRESIDENT'S SCHEDULE

Tuesday - January 24, 1978

7:15	Dr. Zbigniew Brzezinski - The Oval Office.
7:45	Mr. Frank Moore - The Oval Office.
8:00 (60 min.)	Breakfast with Bipartisan Congressional Leadership (Mr. Frank Moore) - The State Dining Room.
10:00 (15 min.)	Senator Warren Magnuson. (Mr. Frank Moore). The Oval Office.
10:30	Mr. Jody Powell - The Oval Office.
11:00 (15 min.)	Congressman Harold Johnson. (Mr. Frank Moore). The Oval Office.
11:45 (15 min.)	Signing Ceremony for Executive Order for the Intelligence Community. (Dr. Zbigniew Brzezinski) - The Cabinet Room.
12:00	Lunch with Vice President Walter F. Mondale. The Oval Office.
1:00 (20 min.)	Mr. James McIntyre - The Oval Office.
3:35 (5 min.)	Greeting/Photograph with Mr. Gary Williamson, Mr. Mark Purdy, Mr. Larry Erickson, Mr. Richard Backes and Mr. Wally Beyer - The Oval Office.
3:45 (15 min.)	Drop-By Panama Canal Briefing. (Mr. Hamilton Jordan) - The State Dining Room.

1124178

THE WHITE HOUSE  
WASHINGTON

3.33  
Johnson

INTEL EO

1-24-78

THE WHITE HOUSE  
WASHINGTON

VP - Inouye - Bayh - Boland -  
Huddleston - Murphy

Charter - Cong/Exec coop  
- DCI - Ladd - Brzezinski  
Turner - Brown -

Intel. Counter - FBI

Auth & limits

Tasking - budget - analysis

Air dereg

H<sub>2</sub>O way user 50% cap 100% per

That Res reorg. late Feb

32 Hwy 13 Xst

42 → 8 categories

Finish I State Hwy

H<sub>2</sub>O Policy Mid. Feb

1124178

THE WHITE HOUSE  
WASHINGTON

Satellite - E Gr Slave Lake

12/ - 1/12 Dobr. - 0712-15

Budget

Tax reform

Energy

Mid East = camp - terr - borders - peace  
(settlements - Palestinian)

B-1

Canal

Civil Service

IFI arrangements - Current - Bilat

SALT



THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

Meeting with  
North Dakota Early Carter Supporters  
Tuesday, January 24, 1978  
3:35 p.m.  
(5 minutes)  
The Oval Office

(by: Scott Burnett)

I. PURPOSE

Photo opportunity for five early North Dakota supporters

II. PARTICIPANTS, BACKGROUND, PRESS

A. Participants

1. Gary Williamson
2. Richard "Dick" Backes
3. Larry Erickson
4. Mark Purdy
5. Wally Beyer

B. Background

All five men were very early supporters, particularly Gary Williamson and Dick Backes.

1. Gary Williamson is the General Manager of North Dakota Central Power, Inc., a rural electric. He was the Chairman of the Carter-Mondale Steering Committee and a delegate to the convention.

2. Richard "Dick" Backes is the minority leader of the State House, and a major leader in Farmers for Carter.

3. Larry Erickson is the former state party chairman, and is a Presidential appointment on the Interior Department Parks Board

4. Mark Purdy is a former national committeeman

5. Wally Beyer is also connected with rural electrics, and is the only one of the five not to have met you

C. Press

White House Photographer only

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

January 24, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM*

Stu reports that the transportation message will be sent to you tonight as a draft but will not be ready to be sent to Congress until Thursday or Friday.

I will inform Congressman Bizz Johnson of the above.

THE WHITE HOUSE  
WASHINGTON  
January 24, 1978

The Vice President  
Frank Moore  
Hugh Carter

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

WHITE HOUSE AUTHORIZATION BILL

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
/		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
/		MOORE
		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
/	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



THE PRESIDENT HAS SEEN.

THE VICE PRESIDENT  
WASHINGTON

January 19, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT *John*  
HUGH CARTER *HC*  
BILL CABLE *Bill*

SUBJECT: White House Authorization Bill

Consistent with your instructions that we send up a bill to the Congress on this subject that can be passed without amendment, meetings have been held with Representatives Schroeder, the subcommittee chair, and Representatives Harris and Udall as well as relevant staff members of the subcommittee and the full committee. Representative Schroeder has scheduled a hearing on the White House Authorization bill for January 26.

There are two approaches that we might take at this time. We could continue to press for a bill which has the broadest possible authority. If we do take this course we will be criticized in the Committee and the press on the basis of the contrast between our position and the position which former President Ford implicitly agreed to. We will likely fail in the subcommittee and have a tough fight in the full committee. With the help of the leadership we might well be successful in overturning the Committee in the House. However, when consideration is given to the history of this legislation in the 93rd and 94th Congresses, the amount of effort that may be necessary and the attendant public attention which may occur could result in some diversion from our efforts on behalf of other priorities.

The alternative is to attempt to work with the Congress and shape a bill which leaves you with necessary flexibility but responds in some way to those members of Congress who feel there should be some limits in the legislation. We believe that it would be more prudent to follow the second course.

Congressman Steed, who is the Chairman of the Appropriations Subcommittee which deals with the White House appropriation has, in the past, been willing to accommodate the lack of authority for certain amounts to be appropriated even though he has been embarrassed by having parts of the appropriation struck on a point of order. Recently, he has publicly expressed on several occasions that he will no longer consider any appropriation for functions that are not authorized.

In 1975 President Ford proposed an authorization bill which would have authorized that which was then being appropriated. The House, Post Office and Civil Service Committee substantially amended that proposal before passing out a final bill to the floor. A democratic member of Congress moved to substitute the essence of the Ford proposal for the committee bill. That motion was defeated 242-146. The positions taken by the Committee were substantially upheld by similar or larger margins in a series of votes on other amendments that were offered on the floor. The only amendments to the bill were those that were accepted by the floor manager of the bill. To be sure the circumstances are different now but it is some reflection of the feelings of Congress. The people with whom we have talked feel quite strongly that it would be difficult to move back totally from the action taken by the House on that occasion.

Except for a dispute over access to tax records of the White House staff, a bill, with more stringent provisions than that passed by the House in 1975, would have been sent to President Nixon in the 93rd Congress. Because of intercession by Congressman Mills on the tax issue the conference committee report was not brought to the House floor for a vote.

The bill passed in 1975 placed the following limitations on White House staff levels. (Current salary levels are noted.)

Not to exceed rate for:

Level II	(\$57,500)	.....	12
Level III	(\$52,500)	.....	13
Level IV	(\$50,000)	.....	15
Level V	(\$47,500)	.....	25
GS-18	(\$47,500)	.....	30
Less than GS-16	(\$42,423)	.....	480

575

We believe that we should agree to some limitations on the number of persons in the White House to be paid top salaries but that we should not agree to any overall White House staff limit. We propose agreement to the following limitations.

Page Three

Proposed Limits

Current White House  
Staff Level

Not to exceed rate for:

Level II	(\$57,500)	...	25	...	9
Level III	(\$52,500)	...	25	...	16
GS-18	(\$47,500)	...	50	...	30
TOTAL			...	100	TOTAL ... 55

Less than GS-16  
(\$42,423) ... No Limit

Detailees

Current White House practice is to reimburse other executive agencies for detailees after they have been assigned to the White House for six months. A similar provision was included in the bills passed in 1975 and 1973. We recommend agreement to a similar provision in this bill.

Consultants

There is an interest among House members in having the same kind of control of the use of consultants such as presently exists in the House. Each committee budget contains a specific limitation as to the amount of the total personnel budget that can be spent on consultants. We do not believe we should agree to a similar provision but we do recommend agreeing to report to the Congress at the end of each fiscal year the number of consultants employed, the total number of days worked and the total amounts of money which were spent on consultants. In the past this information has been voluntarily provided to the Congress.

The committee staff has indicated that they are prepared to agree to the other requests which we intend to include in the bill such as authorization for support provided to the First Lady and wife of the Vice President, authorization for the unanticipated needs fund and the travel budget at current levels, among other items.

This package would result in a bill that meets the needs of the Congress for authorizing legislation that contains some limits, but also removes the principal obstacle to House passage of a complete White House appropriation bill since it corrects the current situation in which one member can stop House consideration of all items which are not in fact authorized by law. Of equal importance we believe that the limits suggested above retain ample flexibility for

Page Four

future White House operations.

If you concur with the above recommendations and authorize us to proceed with discussion with the Committee on this basis, we believe that we can achieve your objective of an authorization bill that moves through the Congress in the form in which it is introduced.

However, if it is your preference not to agree to this, then we will of course proceed on the basis of our original discussion, although it is our judgment that we will have some difficulty with that position in the House.

Go ahead as outlined above ✓

Proceed as originally discussed         

Discuss further         

*J*



ID 780299

T H E   W H I T E   H O U S E

WASHINGTON

DATE: JAN 20 78

FOR ACTION:

INFO ONLY: BOB LIPSHUTZ

HAMILTON JORDAN

JODY POWELL

RICHARD HARDEN

FROM: RICK HUTCHESON   WHITE HOUSE STAFF SECRETARY   PHONE 456-7052

SUBJECT   THE VICE PRESIDENT/HUGH CARTER/BILL CABLE MEMO DATED 1/19/78 RE  
WHITE HOUSE AUTHORIZATION BILL

RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY

BY

JAN 20 78

ACTION REQUESTED:   THIS MEMO IS FORWARDED TO YOU FOR YOUR INFORMATION

STAFF RESPONSE: ( ) I CONCUR.   ( ) NO COMMENT.   ( ) HOLD; DO NOT FORWARD.

PLEASE NOTE OTHER COMMENTS BELOW:



THE VICE PRESIDENT  
WASHINGTON

January 19, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

THE VICE PRESIDENT *John*  
HUGH CARTER *al.*  
BILL CABLE *Bill*

SUBJECT:

White House Authorization Bill

Consistent with your instructions that we send up a bill to the Congress on this subject that can be passed without amendment, meetings have been held with Representatives Schroeder, the subcommittee chair, and Representatives Harris and Udall as well as relevant staff members of the subcommittee and the full committee. Representative Schroeder has scheduled a hearing on the White House Authorization bill for January 26.

There are two approaches that we might take at this time. We could continue to press for a bill which has the broadest possible authority. If we do take this course we will be criticized in the Committee and the press on the basis of the contrast between our position and the position which former President Ford implicitly agreed to. We will likely fail in the subcommittee and have a tough fight in the full committee. With the help of the leadership we might well be successful in overturning the Committee in the House. However, when consideration is given to the history of this legislation in the 93rd and 94th Congresses, the amount of effort that may be necessary and the attendant public attention which may occur could result in some diversion from our efforts on behalf of other priorities.

The alternative is to attempt to work with the Congress and shape a bill which leaves you with necessary flexibility but responds in some way to those members of Congress who feel there should be some limits in the legislation. We believe that it would be more prudent to follow the second course.

Congressman Steed, who is the Chairman of the Appropriations Subcommittee which deals with the White House appropriation has, in the past, been willing to accommodate the lack of authority for certain amounts to be appropriated even though he has been embarrassed by having parts of the appropriation struck on a point of order. Recently, he has publicly expressed on several occasions that he will no longer consider any appropriation for functions that are not authorized.

In 1975 President Ford proposed an authorization bill which would have authorized that which was then being appropriated. The House, Post Office and Civil Service Committee substantially amended that proposal before passing out a final bill to the floor. A democratic member of Congress moved to substitute the essence of the Ford proposal for the committee bill. That motion was defeated 242-146. The positions taken by the Committee were substantially upheld by similar or larger margins in a series of votes on other amendments that were offered on the floor. The only amendments to the bill were those that were accepted by the floor manager of the bill. To be sure the circumstances are different now but it is some reflection of the feelings of Congress. The people with whom we have talked feel quite strongly that it would be difficult to move back totally from the action taken by the House on that occasion.

Except for a dispute over access to tax records of the White House staff, a bill, with more stringent provisions than that passed by the House in 1975, would have been sent to President Nixon in the 93rd Congress. Because of intercession by Congressman Mills on the tax issue the conference committee report was not brought to the House floor for a vote.

The bill passed in 1975 placed the following limitations on White House staff levels. (Current salary levels are noted.)

Not to exceed rate for:

Level II	(\$57,500)	.....	12
Level III	(\$52,500)	.....	13
Level IV	(\$50,000)	.....	15
Level V	(\$47,500)	.....	25
GS-18	(\$47,500)	.....	30
Less than GS-16	(\$42,423)	.....	480

575

We believe that we should agree to some limitations on the number of persons in the White House to be paid top salaries but that we should not agree to any overall White House staff limit. We propose agreement to the following limitations.

Proposed Limits

Current White House  
Staff Level

Not to exceed rate for:

Level II	(\$57,500)	...	25	...	9
Level III	(\$52,500)	...	25	...	16
GS-18	(\$47,500)	...	50	...	30
TOTAL			... 100	TOTAL	... 55

Less than GS-16  
(\$42,423) ... No Limit

Detailees

Current White House practice is to reimburse other executive agencies for detailees after they have been assigned to the White House for six months. A similar provision was included in the bills passed in 1975 and 1973. We recommend agreement to a similar provision in this bill.

Consultants

There is an interest among House members in having the same kind of control of the use of consultants such as presently exists in the House. Each committee budget contains a specific limitation as to the amount of the total personnel budget that can be spent on consultants. We do not believe we should agree to a similar provision but we do recommend agreeing to report to the Congress at the end of each fiscal year the number of consultants employed, the total number of days worked and the total amounts of money which were spent on consultants. In the past this information has been voluntarily provided to the Congress.

The committee staff has indicated that they are prepared to agree to the other requests which we intend to include in the bill such as authorization for support provided to the First Lady and wife of the Vice President, authorization for the unanticipated needs fund and the travel budget at current levels, among other items.

This package would result in a bill that meets the needs of the Congress for authorizing legislation that contains some limits, but also removes the principal obstacle to House passage of a complete White House appropriation bill since it corrects the current situation in which one member can stop House consideration of all items which are not in fact authorized by law. Of equal importance we believe that the limits suggested above retain ample flexibility for

Page Four

future White House operations.

If you concur with the above recommendations and authorize us to proceed with discussion with the Committee on this basis, we believe that we can achieve your objective of an authorization bill that moves through the Congress in the form in which it is introduced.

However, if it is your preference not to agree to this, then we will of course proceed on the basis of our original discussion, although it is our judgment that we will have some difficulty with that position in the House.

Go ahead as outlined above \_\_\_\_\_

Proceed as originally discussed \_\_\_\_\_

Discuss further \_\_\_\_\_

340

THE WHITE HOUSE  
WASHINGTON

January 24, 1978

Midge Costanza  
Stu Eizenstat  
Hamilton Jordan  
Bob Lipshutz  
Frank Moore  
Jody Powell  
Hugh Carter

Re: Cabinet Summaries

The attached were returned in the President's  
outbox today and are forwarded to you for  
your personal information.

Rick Hutcheson

EYES ONLY --- CONFIDENTIAL ATTACHMENTS

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

2

MEMORANDUM TO: THE PRESIDENT

FROM: Jack Watson  
Jane Frank *Jane* January 20, 1978

RE: Summaries for the Week of  
January 16 - 20, 1978

We are attaching the weekly summaries.

CC: The Vice President

Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

*eyes only*

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
/		COSTANZA
/		EIZENSTAT
/		JORDAN
/		LIPSHUTZ
/		MOORE
/		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
/	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



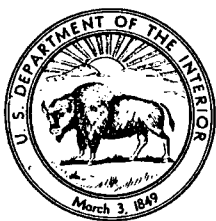
THE WHITE HOUSE  
WASHINGTON  
January 24, 1978

Secretary Andrus

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

RE: DEPT. OF NATURAL RESOURCES  
REORGANIZATION BOG DOWN



THE SECRETARY OF THE INTERIOR  
WASHINGTON

January 20, 1978

*Cecil J*

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Major Topics for the Week of January 16

Your "State of the Union" was excellent. Well delivered and well received. You ratified the Canal Treaty from the podium.

Our reorganization proposal for a Department of Natural Resources still seems to be bogged down because of bureaucratic in-fighting. If it isn't proposed this year I doubt that it will happen because other agencies will see a delay as a license to lobby against.

We still do not have a 1978 budget for our new Office of Surface Mining (Strip Mine Bill) because it is in the same bill as the B-1 Bomber. OMB is helping, but without staff *What can I do?* meet the early statutory deadlines.

Alaska land selections are proposed. There will be a lot of flack, but that is due to our proposal.

See you in Atlanta!

THE WHITE HOUSE  
WASHINGTON

*CE*

*cc*

*Andrews*



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

C  
/

January 20, 1978

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutchenson  
Staff Secretary

SUBJECT: Weekly Report

1977 RECORD CROP: Harvested acres up 2% to 331 million acres; Corn set third straight record, 6.3 billion bushels; soybeans up 1/3 to a record 1.7 billion bushels; cotton up 37% to 14.5 billion bales. Wheat down 5% to 2 billion bushels.

WHOLESALE FARM PRICES: December Wholesale Price Index off 0.3% (seasonally adjusted) from November.

TARGET PRICES SET: Barley, \$2.15 per bushel; grain sorghum; \$2.28 per bushel.

ECONOMIC COMMUNITY-PEOPLE'S REPUBLIC OF CHINA TRADE: Late in January trade negotiations will open in Peking between Economic Community-People's Republic of China. Object; to negotiate a 5-year non-preferential agreement. EC/PRC trade is now only \$1.3 billion, but if an agreement is set, it will be the EC's first with a Communist country; may set a precedent for ties to other Communist countries, particularly Eastern Europe.

USSR GRAIN SHIPMENTS: U.S. grain shipments to the USSR totaled 1.202 million tons in December 1977, nearly triple the 415,000 tons indicated by the Soviets at the October grain consultations, but 700,000 tons under the December consultations estimate of 1.9 million tons...also, indications are that January shipments will total only 1.4 million tons...this has raised some concern in some quarters that USSR purchases of U.S. grain will be less than the expected 15 million tons.

THIS WEEK: 100,000 tons of corn sold to USSR, no sales to PRC.

FRENCH EXPORTS: Because of an agricultural trade deficit in 1977, France plans to expand its agricultural exports.

STRIKE: I met with 450 American Agriculture (AA) members here today. Their demand is 100% of parity through a minimum price law—not government target prices or loans. I warned the group to avoid violence; carefully explained my legal authorities on commodity prices. After a noon-hour demonstration by 200 or so strikers in USDA's patio strikers left. Security tells us some 2000 may return this afternoon.

TRAVEL: Appeared with the Vice President and Secretary Andrus on the Western tour; met with wheat growers and American Agriculture members in Wichita; spoke at rural development conference in Idaho; at farm meeting with Congressman Foley in Spokane.

Carl Tucker Foreman *for*

BOB BERGLAND  
Secretary

ATTACHMENTS



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

January 20, 1978

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

The following is my weekly report on significant activities in the Department of Health, Education, and Welfare:

- Fraud and Abuse: Last October you signed the Medicare-Medicaid Anti-Fraud and Abuse Amendments that directed HEW to issue regulations by January 23rd establishing fraud and abuse control units in each State. As part of my commitment to speed the regulations process, we issued that regulation on Wednesday, January 18, five days ahead of schedule. The State units must operate independently of the State Medicaid Office and will have the power to investigate complaints, to prosecute (or to refer for prosecution) the most serious cases, and to collect overpayments in less serious instances.
- Child Support Enforcement: Child support collections from absent parents increased to \$818 million in FY 1977 (from \$603 million in FY 1976), at a cost to the Government of \$258.8 million -- more than three dollars recovered for each dollar spent. At a conference in March, we will promote this program to State and local officials and explain cost-effective methods of implementation.
- Tuition Tax Credit: HEW's Assistant Secretary for Legislation, Dick Warden, testified before a Senate Finance Subcommittee today, reading a letter from me that reiterated the Administration's opposition to the tuition tax credit ideas proposed by Senators Moynihan, Packwood and Roth. He was not warmly received by the Subcommittee, and, as you know, we are in for rough sledding on this issue. I hope to have a viable alternative to you within the next three weeks.
- Welfare Reform: The Corman Subcommittee begins work again next week, with a markup of the major concepts in the jobs program. The Subcommittee will then markup a consolidated cash assistance bill. I am

meeting with Chairman Corman early next week -- and he has expressed a willingness to move back towards the Administration regarding those few issues on which the Subcommittee modified your original proposal. I will, within the next few weeks, have a better sense of the prospects for the legislation over the months to come.

- Abortions: Next week, we will publish regulations giving effect to the compromise language adopted by the House and the Senate last fall. I am asking Griffin Bell to give us an opinion on the proper construction of the statute in light of the legislative history. Like everything else in this area, the regulations will be very controversial.

  
Joseph A. Califano, Jr.



Administrator

January 20, 1978

MEMORANDUM TO THE PRESIDENT

THRU: Rick Hutcheson

SUBJECT: Weekly Report of GSA Activities

Delay in Vacating Forrestal Building

As a result of a finding in favor of the S.W. Neighborhood Assembly by U.S. District Judge Lewis Oberdorfer, GSA must file an environmental impact statement with respect to its leasehold on the building at 1900 Half Street, S.W., (Buzzard Point). We must also give the S.W. Neighborhood Assembly 30 days written notice of any substantial increase in the number of Government employees to be housed in the building. This could cause considerable delay in relocating those employees currently housed in the Forrestal Building, which will in turn hold up the move of the Department of Energy to the Forrestal Building.


Building Named in Honor of Congressman Jack Brooks

In recognition of the Congressman's celebration of the 25th anniversary of his election to Congress, the Federal Building-Courthouse in Beaumont, Texas, was named yesterday the Jack Brooks Federal Building-Courthouse.

Travel to Chattanooga, Tennessee, and Houston, Texas

Last week I travelled to Chattanooga to speak to the Rotary Club there. I encouraged the audience to support the Administration with regard to the Panama Canal Treaties and spoke about the accomplishments of the first year of the Carter Administration.

From Chattanooga I travelled to Houston to tour Ellington Air Force Base with Congressman Bob Gammage; his staff; members of Senator Bentsen's staff; the Mayor of Houston; officials from the Houston Chamber of Commerce and Dr. Chris Kraft, Director of the Johnson Space Center. The Base has been declared excess to the needs of the Air Force, but the Congressman and the Senator would like to see the property retained by the Government. I explained to them that the Administration is interested in doing whatever it can to work with local governments, and I told them that I thought something could be worked out.

  
JAY SOLOMON  
Administrator



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D. C. 20410

January 20, 1978

MEMORANDUM FOR: The President  
Attention: Rick Hutcheson, Staff Secretary

SUBJECT: Weekly Report of Major Departmental Activities

The following are brief descriptions of significant activities at the Department of Housing and Urban Development.

Tandem Support for Section 8, Distressed Cities. On Sunday I will announce the Department's plans for using \$2 billion of Government National Mortgage Association tandem funds. Mortgage purchase commitment authority of \$1.5 billion will be used to provide secondary market support for some 50,000 subsidized housing units during 1978. I will also announce that the Department is implementing the new Targeted Tandem program during 1978, to purchase mortgages on projects located in distressed cities and neighborhoods which are either undergoing or showing prospects for revitalization. The program will be directed to middle-income housing in central cities. Targeted Tandem is expected to serve as an incentive for private housing industry participation in central city areas where it is difficult to secure financing.

New Communities Program Undergoes Reorganization. At a press conference on January 18, I announced that I have approved a reorganization to provide effective management and accountability for the New Communities program. The reorganization also will move the program toward a "new-town-in-town" approach to focus resources on assisting cities to revitalize and stabilize their economies.

The New Communities Administration, established in 1973, will be abolished. A stronger field structure will be created, and an Office of Policy Planning and Budget will coordinate support from other Federal agencies.

HUD to Expand Management System for Multifamily Projects. Because of the need to obtain improved information on the financial status of subsidized multifamily projects, the Department is expanding a new computer system, on an accelerated basis, to cover 23 additional field offices. The system, which supports our loan servicing functions, will provide an early warning of multifamily projects that may be heading for financial trouble and default.

Solar Evaluations Now Underway. Five hundred and twenty applications have been received for the fourth funding cycle of HUD's residential solar heating demonstration program. Announcement of up to 200 approved project applications for a total of \$8 million is expected in about six weeks.

Pat  
Patricia Roberts Harris





THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

January 20, 1978

9

MEMORANDUM FOR THE PRESIDENT

ATTENTION: Rick Hutcheson, Staff Secretary

FROM: Brock Adams

*Brock Adams*

SUBJECT: Weekly Report on Significant Issues Pending at  
the Department of Transportation

Midwest Railroad Conference - Update

Information

The Department's Chicago public hearings on the Midwest Rail problem began the first significant Federal effort to encourage private solutions to our national railroad difficulties.

At the two-day session, which over 500 industry, shippers, labor, public and investor representatives attended, Jack Sullivan, Federal Railroad Administrator, and I heard testimony from railroads in the Midwest, shippers, State DOTs and labor representatives on the present situation. Specific remedies, such as coordination projects, market swaps, and trackage agreement, will be pursued further next month at a second set of DOT-sponsored meetings to be held on February 16 and 17 in Chicago.

Oil Tanker Safety

Information

On Tuesday, January 17, I addressed the Oil Companies International Forum on Navigation Safety and Oil Tanker Regulations and reemphasized the Administration's commitment to strong international tanker safety standards in this era of high oil imports.

The International Conference on Tanker Safety and Pollution Prevention will close next month, one year after the well-known Argo Merchant oil spill incident. It is imperative that we keep up U.S. pressure for strong standards. The Department's U.S. Coast Guard is continuing to work closely with the Department of State on this effort.

EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL ON ENVIRONMENTAL QUALITY  
722 JACKSON PLACE, N. W.  
WASHINGTON, D. C. 20006

1

January 20, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren *Carlin*  
Gus Speth  
Marion Edey

SUBJECT: CEQ Weekly Status Report

Implementing your Floodplains Executive Order: The member agencies of the Water Resources Council met Wednesday and approved, subject to minor editing, strong guidelines for agency compliance with the Executive Order on floodplain management, which you issued with the Environmental Message. The guidelines recommend consistent practices that agencies should follow in implementing the Order. The Council assisted in drafting the guidelines and provided authoritative interpretation of the Order's provisions. At the meeting, CEQ stressed Administration interest in full and prompt agency compliance with the Order.

U. S. DEPARTMENT OF LABOR

"FYI"

OFFICE OF THE SECRETARY

WASHINGTON

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *for*

SUBJECT: Major Departmental Activities, January 16-20

COAL NEGOTIATIONS

As the strike by the United Mine Workers enters its seventh week, intensive negotiations are continuing under the auspices of the Federal Mediation and Conciliation Service. All basic matters in the contract are being negotiated by the top leadership of the union and management. The FMCS has asked for a news blackout on the current negotiations. Although total coal stocks are being depleted, the major consuming sectors still have a comfortable supply. As of the week ending January 7, electric utilities had an 86-day supply; oven coke plants had 65 days and general industry had 46 days.

PRIVATE SECTOR EMPLOYMENT PROGRAM

In conjunction with the Domestic Policy Staff, we are completing the design of the Administration's new private sector employment initiative. Four hundred million in 1979 spending authority (\$250 million in actual outlays) has been set aside for this program that will provide training and job development for disadvantaged workers, particularly youth. The program will be operated through the CETA prime sponsors and will be directed at the local level with the assistance of local industry training councils. These councils, composed of key business and labor leaders, will serve as an intermediary between the CETA prime sponsors and the local private employers who will provide employment and training under this program. The goal of this program will be to prepare workers for jobs in the private sector. The program will begin during Fiscal Year 1978 with existing Labor Department funds.

We have consulted key members of Congress, the National Alliance of Businessmen and the AFL-CIO. I will work with Stu Eizenstat to get a memo on the program to you early next week.

#### WELFARE REFORM

I met this week with Congressmen Hawkins and Corman to discuss the upcoming markup of the jobs component of welfare reform. As a result of close consultation with Congress, I think that we have reached agreement on a set of motions which will preserve all the essential features of our proposal. The agreement will keep the bill within the cost constraint, improve the coordination of the welfare related jobs program with the new CETA legislation, and increase support for the bill among our Democratic friends in the House.

# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Brzezinski to Pres. Carter, 18 pp., re: CIA names	1/20/78	A
Telex	Situation Room to Pres. Carter, 1 pg., re: Israel	1/22/78	A
Cabinet Summaries	Ambassador Young to Pres. Carter, 1 pg. re: UN	1/20/78	A
Memo	Lipshutz to Pres. Carter, 3 pp., re: Peanut oil sale	1/25/78	C
Memo	Jordan, Lipshutz & Moore to Pres. Carter, 16 pp., re: nominees for resubmission	1/19/78	C

## FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of the Staff Sec.-Pres. Handwriting  
File 1/24/78 BOX 69

## RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with restrictions contained in the donor's deed of gift.



## Office of the Attorney General

Washington, D. C. 20530

January 20, 1978

C

Re: Principal Activities of the Department of  
Justice for the Week of January 16 through 20

### 1. Meetings and Events

On Wednesday, the Attorney General spoke to 2,000 students at Baylor University in Waco, Texas, and answered questions at separate sessions from undergraduates and law students. On Thursday, the Attorney General announced at a news conference the President's nomination of Judge William Webster, Eighth Circuit Court of Appeals, to be Director of the FBI.

### 2. Legislative Affairs

The Senate on Thursday began consideration on the Floor of the comprehensive criminal code, S. 1437. The Department has set up a command post at the Senate to answer questions and deal with any problems that might arise.

### 3. Real Unemployment Figures

The Attorney General asked that an article from the Waco (Texas) Tribune-Herald be attached to this report. The article deals with the good news of "real" unemployment figures.

4. The Department's weekly report on appointments is ~~attached~~. *10*

THE SECRETARY OF COMMERCE  
WASHINGTON, D.C. 20230

Q  
"FYI"

January 20, 1978

REPORT TO THE PRESIDENT

Fourth Quarter Gross National Product (GNP)

A good economic performance last year was further confirmed by the Department's preliminary fourth quarter GNP estimates released this week. Although the overall real growth rate was 4.2 percent, final sales (all components of GNP except business inventory accumulation) increased at a 6.8 percent rate--the strongest of the entire recovery period. Strong growth of after-tax disposable income and consumer purchases were especially encouraging.

In my statement to the press on GNP, I stressed that the good 1977 performance was certainly in part due to the stimulative tax and spending actions you initiated early last year; by supporting personal income and encouraging business investment, the tax program you are now proposing looks to the future and would promote continued strong growth during 1978 and 1979.

Commerce Services to Cities

Today in Greenville, S.C. we are initiating our Commerce Cities Project--a series of demonstration efforts with selected cities to improve the responsiveness of Departmental programs and services to cities. A key objective to this effort is to encourage greater public and private sector cooperation in the design and implementation of city economic development strategies. Headed by Deputy Under Secretary Anne Wexler, a Commerce team of program specialists will be working with local officials to determine how the Department's combined resources can be most supportive to specific plans and projects. We expect to learn much from this effort on how we can better contribute to your goals for responsive and open Government.

Multilateral Trade Negotiations (MTN) Action

Today the United States tabled its offer of negotiable trade concessions at the MTN in Geneva. The package contains both tariff offers and responses to foreign requests for nontariff measure concessions. The Department provided the economic analysis for Administration review of all industrial items, utilizing the extensive private advice received through our Industry Consultation Program. We expect other major MTN participants to table their offers in the very near future, after which the negotiating process can begin in earnest.

#### Anti-Boycott Regulations

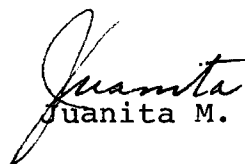
This week the Department issued final regulations to implement the anti-boycott legislation you signed into law last June. Prior to public release of the regulations, we briefed interested Members of Congress and their staffs on our decisions with regard to issues raised during the public comment period; immediately after public release, we also briefed representatives of interested Jewish and business groups. On balance, the final regulations are more restrictive than those published in September for comment. The immediate reaction of those supporting a strong anti-boycott program is favorable. Congressman Rosenthal characterized the regulations as "a model for other countries" and "a significant victory for the principles of nondiscrimination and free trade." At this time we do not have a definitive reaction from the business community.

#### Patentability of Computer Programs

Many longstanding uncertainties over the patentability of computer programs may soon be resolved. This week the U.S. Supreme Court agreed to review a decision by the Court of Customs and Patent Appeals which had overruled a denial of patentability action in this area by Commerce's Patent and Trademark Office.

#### Puerto Rico Economic Study

Last weekend in Puerto Rico, I was able to have useful discussions with Governor Romero and members of his Cabinet on economic problems facing Puerto Rico and the study of the Puerto Rican Economy which the Department is carrying out. They appeared pleased with the approach of the study and are looking forward to receiving the study results later this year.

  
Juanita M. Kreps





United States  
Environmental Protection Agency  
Washington, D.C. 20460

2

January 20, 1978

The Administrator

WEEKLY REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

EPA and the Corps of Engineers have just signed an agreement allowing EPA to use existing Corps personnel in administering the municipal wastewater treatment construction grants program. The program is now the country's largest federal construction program:

- over \$19 billion have been obligated since 1972, and the recent water amendments provide another \$24.5 billion through 1982;
- there are 11,000 individual projects now active (4,400 are in the construction stage), and we anticipate approving about 2,000 new grants each year, beginning now;
- for each one billion federal dollars spent, 20,000 direct jobs are created.

The Corps will oversee the bidding and actual construction phases of EPA-approved projects. The agreement resulted from this year's ZBB process. The agreement:

- avoids having to add significant new manpower resources to EPA by using Corps expertise already in place;
- will increase by 60 percent the manpower available to insure the fiscal integrity of the construction grant program;
- will greatly enlarge the federal government's ability to provide technical assistance to small communities;
- frees EPA personnel working on construction grants for other priority programs that are growing rapidly (e.g., controlling toxic water pollutants, safe drinking water, resource conservation and recovery).

The agreement is a good example of one way in which you are attempting to make federal government more efficient and less duplicative.

*Doug*



THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

F.Y.I.

January 20, 1978

C

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

The EPG spent the week putting finishing touches on the economic, tax, and budget messages. Next week, we will be examining progress on the urban program, the New York City financing problem, and our economic relations with West Germany.

Today New York City will submit to us its four-year budget and financing plans which I requested in late November. From the budget standpoint, I asked for a plan to move the City into genuine and recurring balance. On financing, the plan will show New York City's borrowing needs over the next four years and related commitments which Mayor Koch expects from both local parties and the Federal Government. We will give you an analysis of these plans with our recommendations on Federal lending assistance after June 1978.

In sharp contrast to market developments during the past several weeks, exchange rates moved within a fairly narrow range in calm trading this week, and intervention by the major monetary authorities was sharply reduced. As of mid-morning Friday, the Treasury and Federal Reserve had not intervened at all since last Friday. In general, the market appeared to be marking time, awaiting your forthcoming statements on the economy and the reopening of Congress. Initial market reaction to your State of the Union message was generally neutral, and did not tend to change the conditions prevailing earlier in the week. The dollar appreciated almost 1-3/4 percent against the Swiss franc and 3/4 of 1 percent against the German mark during the week; sterling and the yen were little changed.

We expect to announce trigger prices for the majority of the remaining steel categories and the extras early next week.

Under Secretary Solomon will lead off testimony on the recommendations of the Steel Task Force before the Vanik Subcommittee on Trade on January 25. Treasury General Counsel Mundheim, Commissioner of Customs Chasen and Crandall of COWPS will testify as well.

The bill authorizing U.S. participation in the Witteveen Facility of the IMF will be marked up by the House Banking Committee on January 23, and by the Senate Banking Committee on January 31. We expect House amendments in such areas as human rights/human needs, and the bank "bail-out" question, and appropriations treatment. I will see Chairman Mahon on January 23 about the appropriations problem. I will report following the mark-up. The bill has already been reported favorably, without amendments, by the Senate Foreign Relations Committee.



W. Michael Blumenthal

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

*C*

January 21, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS 4/1/78*

SUBJECT: CEA Weekly Report

The energies of the CEA have been devoted almost exclusively to the final preparation of the Economic Report of the President, which was published on Friday, and to the preparation of the CEA annual report, which will be available to the Press on January 28 and be released to the public on January 30. I briefed reporters on Thursday afternoon about the contents of the President's Economic Report.

**Community** WASHINGTON, D.C. 20506  
**Services Administration**



Q

MEMORANDUM TO THE PRESIDENT

Attention: Rick Hutcheson, Staff Secretary

FROM: Grace Olivarez *GO*  
Director  
Community Services Administration

SUBJECT: Weekly Report of Significant Agency Activities

MANAGEMENT AND ADMINISTRATION:

Catalog of Citizen Participation:

As part of the President's initiative to reform the Federal Aid System, CSA served as lead agency in the preparation and publication of a catalog identifying citizen participation requirements for more than 300 federal assisted grant-in-aid programs administered by eighteen departments, agencies and commissions. This catalog provides, for the first time, a compendium of information with which citizens can access the decision-making processes of federal grant programs.

PROGRAM INITIATIVES:

1. Local Initiative Programs:

CSA is in the final stages of developing an action plan for the 1978 funding of community action agency local initiative programs. The \$39 million dollar increase in FY78 provides the first national growth of base funding for community action agencies in eight years.

2. Emergency Energy Programs:

We are also in the final phases of planning for the Emergency Energy Assistance Program designed to prevent health problems of low-income families resulting from discontinuation of utility services.

3. Strategies for the Elderly:

CSA has called a national strategy meeting for January 24 and 25 here in Washington on survival issues for the elderly poor. We will be reviewing federal programs to determine the manner and extent to which they are serving the needs of the low-income elderly. This meeting will be used to prepare recommendations for future demonstration projects on behalf of the elderly-poor.

4. Rural Development:

CSA has funded the National Rural Development and Finance Commission, a coalition of fifty organizations with a combined membership

of over five million rural poor people to develop a comprehensive rural economic development strategy. This project is designed to assist in the creation of rural financial institutions and other mechanisms providing direct support to community-based organizations.

5. Balanced Growth:

CSA has assisted a number of community-based organizations in the development of a consensus position on balanced-growth issues as they affect low-income groups. This work will result in a resource paper, to be used by participants in the White House Conference on Balanced Growth.

POLICY INITIATIVES AND MISCELLANEOUS:

1. Crisis Intervention Supplemental Appropriation:

The 200 million dollar supplemental appropriation for crisis intervention to assist the poor in energy emergency needs is tied to the bill authorizing the continued development of the B-1 Bomber. In coordination with the Office of Management and Budget CSA is coordinating an effort to persuade selected Senate Members to support the Administration's position on this legislation.

2. Politically-Sensitive Issues Which May be of Interest:

a) Zavala County Texas:

The Zavala County Economic Development Corporation (a CSA grantee located in Zavala County, Texas) has sued the agency in an effort to force the release of funds for an agricultural venture. Plaintiff's attorney has served notice of intent to take deposition of CSA's Director and certain White House staff members. Governor Dolph Briscoe has a continuing interest in this grantee.

b) Hahnemann Hospital, Philadelphia, Pa.

CSA has received a subpoena requiring the production of documents relating to a 1975 grant to the Hahnemann Hospital and Medical College, Philadelphia, Pa. This matter is apparently related to an ongoing investigation by the U. S. Attorney's Office of that city. The media has taken a particular interest in this grant, which was specifically earmarked for the Hahnemann Hospital in a 1975 supplemental appropriation.

c) New York City Anti-Poverty Program.

Mayor Koch, and Secretary of State Cuomo have requested CSA to grant a further postponement of elections designed to restructure the anti-poverty board and bring that city's program into compliance with federal law. Their request is under active consideration.

Virginia Payette

# Take a Look at 'Real' Unemployment Figures

You heard President Carter say he's right pleased about the unemployment drop to 6.4 per cent, but if he'd pay attention to the REAL figures he'd be ecstatic.

They show that honest-to-gosh "unemployment" is less than one per cent.

As of December, 1977, only 3.8 per cent of the total labor force had been out of work five weeks or more, including those in the process of changing jobs; 1.9 per cent for 15 weeks or more, and 0.9 per cent for 27 weeks.

And those figures include blacks, whites, males, females, teen-agers, the unemployable and the unwilling.

THESE NUMBERS are fresh from the Bureau of Labor Statistics, which releases them every month along with the figure that gets quoted — the highest possible one, which includes anyone who says he has been available for work for the past 15 minutes.

Also included in the new 6.4 per cent unemployment rate are all the able-bodied on unemployment insurance or welfare who list themselves as "available." But that's what they have to say to collect their payments; how serious they are is iffy.

It also figures in people who have never worked and never before thought of working. How hard they're looking is something else that's almost impossible to measure.

WHAT IS PRETTY certain is that nine-tenths of one per cent of those listing themselves as available are likely to be very nearly unemployable in any job they would accept. No one denies that there are individual tragedies hidden in the figures, but the inflated figure deals with these no more than the smaller figure.

But it's always that big statistic that everyone clings to, unreliable and unrealistic though it is. Even President Carter, who had the experts snickering when he predicted "unemployment" would drop to 6.6 per cent by the end of his first year, was surprised to hear he'd done better than he hoped.

The catch phrase of "putting the people back to work" is silly. The BLS figures show that the people are already back to work.

Let's take another look at that 3.8 per cent of the labor force who've been out of work five weeks or more and see how it breaks down.

THE PERCENTAGE of white adult males who say they are looking for jobs was 2.5, for white adult females it was 3.2, and for white teen-agers, 5.7.

Among non-white adult males, it was 6.6 per cent, for non-white adult females, 6.1 per cent, and for non-white teen-agers, 21.1 per cent (which is high, but it still means that only one out of every five non-white teen-agers doesn't find a job within five weeks).

The Bureau defines a teen-ager as a boy or girl from 16 through 19 who is available, or says he is, and who claims to have been "actively" looking for work for at least a month prior to the survey.

Further, according to the Bureau's figures, the average time any worker was without a job, as of last month, was 14.1 weeks, compared to 15.6 weeks in December, 1976.

## THERE'S MORE:

At the moment, there are 90.5 million people with jobs, which is 4.1 million more than a year ago. Last month alone, the number of jobs went up 410,000 — 160,000 among factory employees and 20,000 for construction workers.

What this boils down to is that less than one worker in a hundred hasn't found work in six months.

Some new union contracts require that workers with the most seniority be laid off first, which, with all their unemployment benefits and extra payments, adds up to a paid vacation. And yet these people show up on the surveys as "unemployed."

All in all, the job picture is nowhere near as bad as the people at the top would have us believe. And the fact that they persist in using the more unrealistic figures is part politicking and part rip-off.

Nobody wants to accept the fact that the unemployment rate for black teen-agers is four times higher than that for white youngsters, although there is what they concede to be "marginal improvement" in their job-hunting efforts.

Both sociologists and economists are disturbed about the higher jobless rate among black adults than among white adults.

THE RIP-OFF comes from several directions: from city officials who try to inflate total unemployment figures to get more federal funds, from union officials who use the higher totals to lobby for federal projects, and from our elected politicians, who can pork-barrel those projects for their own states, thereby glorifying their images with the voters back home and buying themselves a return ticket to the wondrous world of Washington.